

2012/13



ECONOMIC POWERBASE AND MUNICIPALITY OF EXCELLENCE

# DRAFT ANNUAL REPORT

FINAL  
Volume I

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# Chapter 1

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD



It is again a pleasure and a privilege for me as the Executive Mayor to present this Annual Report of Metsimaholo Local Municipality for the 2012/13 financial year to the Council, the broader community as well as our many stakeholders and partners.

The format and content of the Annual Report is largely prescribed by local government legislation, including a generic core of demographic and geographic information that is relatively consistent from year to year. However, the intention remains to provide an easily readable and summarized statement of Metsimaholo progress towards the targets set in its over-arching Integrated Development Plan. The achievement of service-delivery targets and deliverables is obviously also required to be viewed together with the

municipality’s financial performance and our compliance with the whole suite of municipal legislation.

This Report is therefore intended to attest to the collective efforts of the municipal administration and the executive to progressively address the expectations of our people.

We believe that the 2012/13 Annual Report highlights a large number of the positives that exist in Metsimaholo, that viewed collectively, should give our people a sense of hope and optimism that we are serious about achieving our vision, sooner rather than later.

Once more, as we leap forward into the next financial years, we do so filled with a deep sense of appreciation of the challenges that lie ahead. These include overhauling a municipality that has at best produced mixed outcomes, and converting it to the well-oiled machinery that meets the service delivery needs and expectations of our community who depend on it.

I look forward together with my Mayoral Committee, the whole Council and the municipal administration, to continuing to work for the building of a transformed Metsimaholo Local Municipality in which our vision, to be the economic powerbase and municipality of excellence, be a practical reality. We are positive that the municipality’s future holds the promise of a better life for all who live and work here.

(Signed by : ) \_\_\_\_\_

**Cllr. Brutus Tshepo Mahlaku**  
**Executive Mayor**

*T1.0.1*

### COMPONENT B: EXECUTIVE SUMMARY

# Chapter 1

## 1.1. MUNICIPAL MANAGER'S OVERVIEW

### MUNICIPAL MANAGER'S OVERVIEW



This Annual Report provides an authoritative record of activities of Metsimaholo Local Municipality during 2012/13 Financial Year. The activities include strategic planning process, financial health internal and external changes, certain critical administrative considerations and service delivery achievements and challenges during the year under review (2012/13).

The current performance report has shown that our Municipality has made some strides to address service delivery challenges facing community in our Municipal jurisdiction. Amongst other important deliveries to be highlighted for the year include: **Water provision:** 9ML

Reservoir has been established so as to provide 3 500 households in Refengkgotso, and achieved 89, 3 on blue drop assessment; **Sanitation:** standing at 90% to complete house connections to 3 000 stands in Amelia. Gortin project will be rolled to the next financial year (2013/14) due to financial constraints. **Refuse Removal:** It should be noted that we managed to secure/procure two new trucks and as a results services have been extended to newly established areas such as Themba Khubheka.

It will be very much imperative to indicate that our financial health has been negatively affected by low revenue collection due to certain factors that may have attributed to non-payment of water and electricity by consumers, various community and labour unrests that took place in our area.

Nevertheless, it is believed that with the recent filling of the critical posts (Directors), our administration will accelerate service delivery and intensify labour relations for the better. Most important to indicate is that a steady progress has been made in the development of Local Economic Development (LED) Strategy which will be finalised in the next financial year (2013/14). Lastly our Municipality will continue to fight poverty and unemployment through government programmes such as EPWPs and CWPs. In the 2012/13, 1221 jobs have been created through Community Work Programmes.

**S.M MOLALA**

**MUNICIPAL MANAGER**



# Chapter 1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

The Local Municipality of Metsimaholo is situated in the northernmost corner of the Free State Province, which forms part of the Vaal Triangle (Vanderbijlpark, Vereeniging and Sasolburg region(s)). The Local Municipality of Metsimaholo lies at an altitude of approximately 1500 meters above sea level. The average annual rainfall is 638 mm while the average maximum summer temperature is 26.9°C and the average minimum winter temperature is 16°C.

The Metsimaholo Local Municipality covers an area of 1 739 square kilometres and includes Deneysville, Metsimaholo, Oranjeville, Refengkgotso, Sasolburg, Vaalpark and Zamdela. It is inhabited by approximately 154 658 people with more than 90% living in the urban areas of the municipal region.

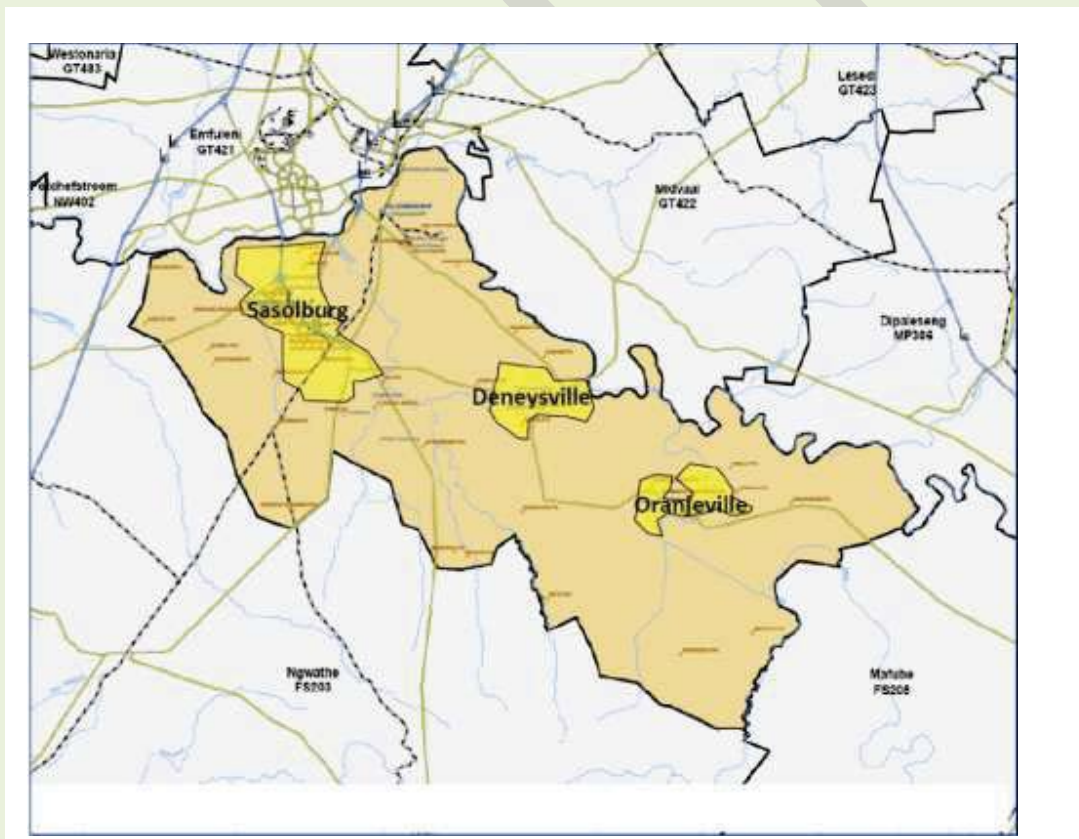


Figure 1: Map of Metsimaholo Local Municipality

# Chapter 1

A large percentage of houses in Deneysville are holiday homes, which implies that the actual permanent inhabitants of the community may be less than estimated. The majority of the rural population is active in the agricultural sector and a total of 1 753 farms are located within the Metsimaholo municipal area.

The new municipal boundaries and ward delimitation by the Municipal Demarcation Board for the 2011 Local Government Elections are reflected in the map below.<sup>1</sup>

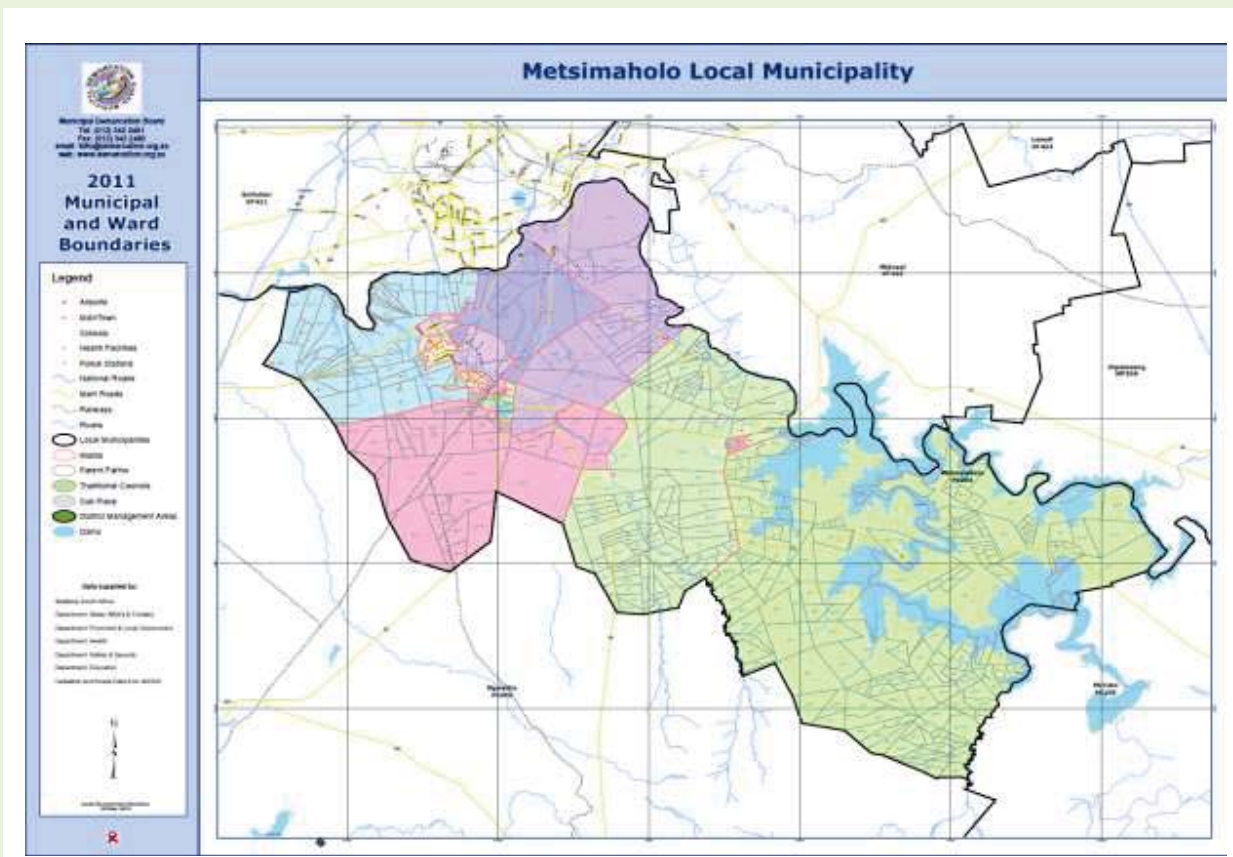


Figure 2: 2011 Municipal and ward boundaries

<sup>1</sup>The number of wards increased from 18 to 21 after the delimitation process



# Chapter 1

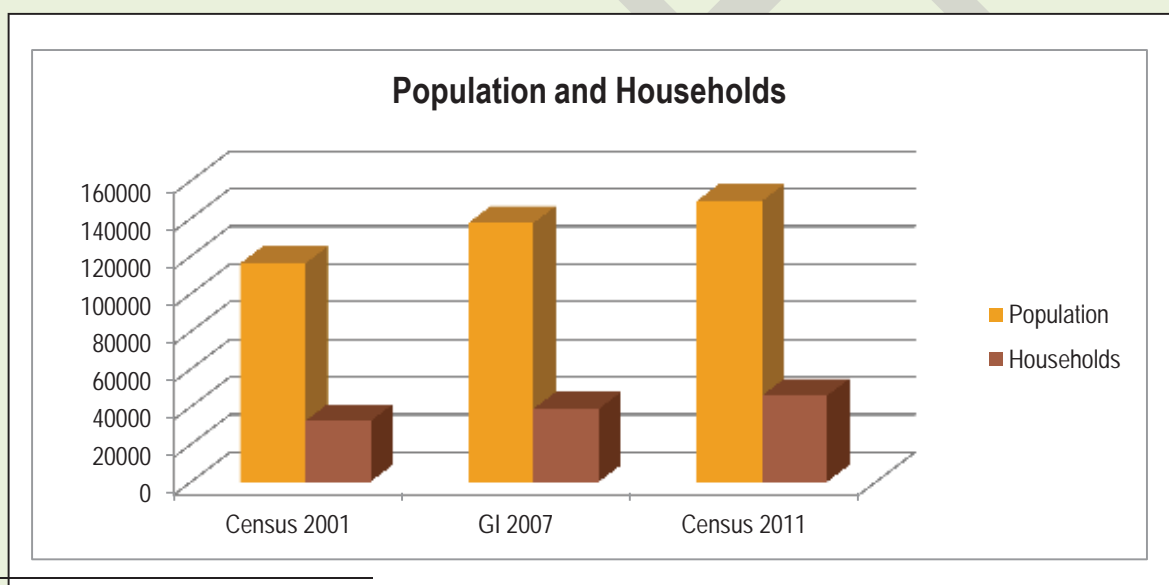
The total number of voters on the municipal segment of the national common voters roll on 12 February 2009 was 70 575.<sup>2</sup> The breakdown per ward of the number of registered voters is reflected in the table below.

**Table 1: Number of registered voters per ward**

| Ward                     | 1     | 2     | 3     | 4     | 5     | 6     | 7     |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|
| No. of registered voters | 3 698 | 3 155 | 3 773 | 3 152 | 2 859 | 3 189 | 3 257 |
| Ward                     | 8     | 9     | 10    | 11    | 12    | 13    | 14    |
| No. of registered voters | 3 676 | 2 881 | 2 956 | 3 564 | 3 160 | 3 813 | 3 741 |
| Ward                     | 15    | 16    | 17    | 18    | 19    | 20    | 21    |
| No. of registered voters | 3 722 | 3 532 | 3 694 | 3 583 | 3 230 | 2 945 | 2 995 |

## Demographic and Socio-Economic Profile of the Municipality

The official statistics according to *Statistics South Africa's Census 2001, Community Survey 2007 and Census 2011* were used and supplemented with data from the IHS Global Insight<sup>3</sup> Regional Explorer database<sup>4</sup>.



<sup>2</sup> Municipal Demarcation Board. Delimitation of municipal wards in terms of the Local Government: Municipal Structures Act, 1998. 2011 Local Government Elections. Province: Free State. Municipality: Metsimaholo Local Municipality (FS204)

<sup>3</sup> IHS Global Insight Southern Africa is the Sub-Saharan office of the largest global economics consultancy in the

world. IHS Global Insight specialises in economic analysis and forecasting and provides in-depth coverage of over 200 countries and 170 industries, worldwide.

<sup>4</sup> Regional eXplorer (ReX) is a consolidated platform of integrated databases that provide accurate and up-to-date economic, socioeconomic, demographic, and development information on a spatial level for South Africa. Over the last few years, ReX has become the first port of call for consistent and reliable geographical data. The service offering is ideal for policy makers, private or academic researchers, and consultants who wish to utilise reliable and consistent spatial information across South Africa to assist in planning and decision-making processes.

# Chapter 1

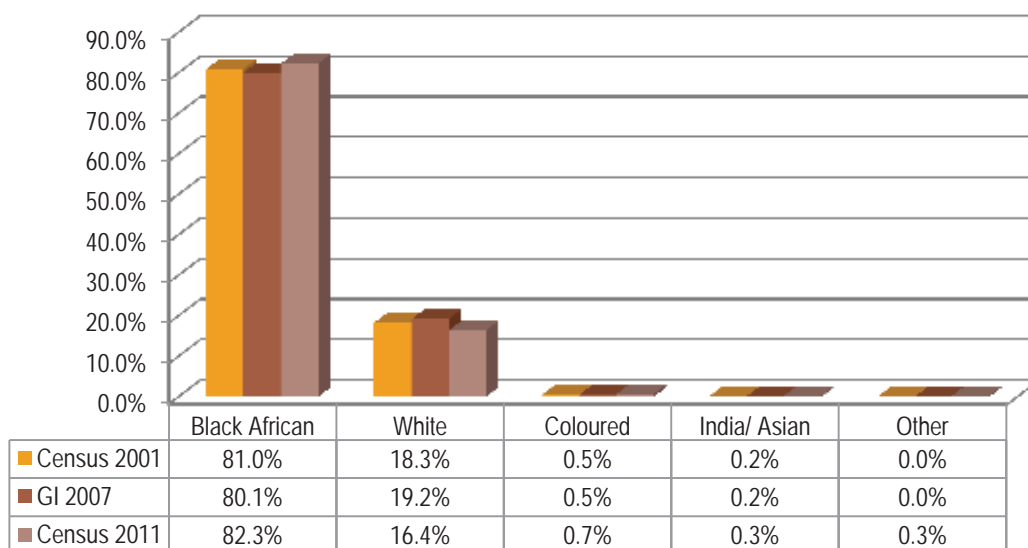
**Table 2: Population and household statistics**

|                        | Census 2001 | Global Insight (GI)<br>2007 | Census 2011 |
|------------------------|-------------|-----------------------------|-------------|
| Population             | 115 955     | 137 481                     | 149 109     |
| Households             | 32 260      | 38 768                      | 45 755      |
| Average Household Size | 3.6         | 3.5                         | 3.3         |

**Table 3: Gender distribution of population**

|         | Census 2001 | Global Insight (GI)<br>2007 | Census 2011 |
|---------|-------------|-----------------------------|-------------|
| Males   | 51.1%       | 53.1%                       | 52.1%       |
| Females | 48.9%       | 46.9%                       | 47.9%       |

**Racial distribution of population**



**Table 4: Age distribution of population**

|                    | Census 2001     | Global Insight (GI)<br>2007 | Census 2011     |
|--------------------|-----------------|-----------------------------|-----------------|
| 0 – 4 years        | 10 106<br>8.7%  | 11 742<br>8.5%              | 15 401<br>10.3% |
| 5 – 14 years       | 22 020<br>18.9% | 23 330<br>17.0%             | 23 836<br>16.0% |
| 15 – 34 years      | 45 869<br>39.6% | 53 039<br>38.6%             | 58 096<br>39.0% |
| 35 -64 years       | 33 702<br>29.1% | 43 964<br>32.0%             | 45 267<br>30.4% |
| 65 years and older | 4 281<br>3.7%   | 5 406<br>3.9%               | 6 509<br>4.4%   |

# Chapter 1

Table 5: HIV and AIDS prevalence

| Global Insight (GI) | HIV+ estimates |            |             | AIDS estimates |            |             |
|---------------------|----------------|------------|-------------|----------------|------------|-------------|
|                     | National       | Free State | Metsimaholo | National       | Free State | Metsimaholo |
| 2001                | 3 255 169      | 248 090    | 10 917      | 93 960         | 7 084      | 300         |
| 2007                | 4 588 779      | 318 769    | 15 612      | 198 772        | 14 015     | 663         |
| 2009                | 4 739 504      | 320 883    | 16 053      | 221 903        | 15 397     | 742         |
| 2010                | 4 799 024      | 321 179    | 16 201      | 241 151        | 16 606     | 807         |
| 2011                | 4 849 853      | 321 335    | 16 326      | 255 021        | 17 410     | 852         |
| 2012                | 4 886 985      | 320 659    | 16 391      | 266 644        | 18 041     | 887         |
| 2013                | 4 917 369      | 319 768    | 16 431      | 275 293        | 18 452     | 912         |
| 2014                | 4 941 798      | 318 680    | 16 450      | 281 408        | 18 684     | 923         |
| 2015                | 4 962 054      | 317 370    | 16 446      | 285 455        | 18 776     | 934         |

Table 6: Labour force

|                                    | Census 2001 | Global Insight (GI) 2007 | Global Insight (GI) 2009 |
|------------------------------------|-------------|--------------------------|--------------------------|
| Employed                           | 31 486      | 42 189                   | 43 528                   |
| Unemployment rate                  | 24.5%       | 17.1%                    | 16.9%                    |
| Economically Active Population     | 49 998      | 49 885                   | 50 061                   |
| EAP as a % of the total population | 43.1%       | 36.3%                    | 35.7%                    |

## Definitions:

**Employed:** Employed population *working* in the municipal area.

**Unemployed:** Unemployed people *living* in the municipal area.

**Economically Active Population:** Employed and unemployed people who are *living* in an area. It is the number of people who are able and willing to work, who are between the ages of 15 and 65. (Includes both employed and unemployed, but excludes discouraged work seekers who have not recently taken active steps to find employment, people who do not wish to work, students, early retirees, housewives, etc.)

## Poverty indicators

Table 7: Poverty indicators

| Global Insight | % of people living in poverty |       |          |        |       | No. of people living with less than \$1 per day | No. of people living with less than \$2 per day |
|----------------|-------------------------------|-------|----------|--------|-------|-------------------------------------------------|-------------------------------------------------|
|                | African                       | White | Coloured | Indian | Total |                                                 |                                                 |
| 1996           | 37.3%                         | 2.5%  | 22.5%    | 6.3%   | 27.0% | 2 808                                           | 7 527                                           |

# Chapter 1

|      |       |      |       |       |       |       |        |
|------|-------|------|-------|-------|-------|-------|--------|
| 2001 | 47.0% | 3.1% | 31.1% | 23.9% | 36.7% | 5 259 | 13 783 |
| 2006 | 40.9% | 0.9% | 36.3% | 23.0% | 32.9% | 2 481 | 7 944  |
| 2009 | 38.0% | 0.5% | 38.6% | 23.2% | 31.1  | 936   | 5 794  |

Functional literacy: population older than 20 years who completed grade 7 or higher

Table 8: Functional literacy

| <i>Global Insight</i> | Literate       | Illiterate     |
|-----------------------|----------------|----------------|
| 1996                  | 47 763 (73.3%) | 17 417 (26.7%) |
| 2001                  | 56 122 (73.0%) | 20 810 (27.0%) |
| 2006                  | 68 308 (78.0%) | 19 316 (22.0%) |
| 2009                  | 74 094 (80.1%) | 18 409 (19.9%) |

Spatial statistics

Table 9: Spatial statistics

| <i>Global Insight</i> | Population density <sup>5</sup> | Urban population | Urbanisation rate <sup>6</sup> |
|-----------------------|---------------------------------|------------------|--------------------------------|
| 1996                  | 63.68                           | 91 057           | 83.1%                          |
| 2001                  | 72.23                           | 114 940          | 92.5%                          |
| 2006                  | 78.95                           | 132 003          | 97.2%                          |
| 2009                  | 81.55                           | 138 692          | 98.9%                          |

<sup>5</sup>Number of people per km<sup>2</sup>

<sup>6</sup>% of people living in urban areas

# Chapter 1

**Table 10: Overview of Neighbourhoods**

| <b>Overview of Neighbourhoods within the Municipality</b><br><i>(Council Preferred Population Data)</i><br>*Township establishment in progress |                 |                  |               |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------|---------------|
| Region                                                                                                                                         | Towns           | Total Population | Households    |
| <b>SASOLBURG</b>                                                                                                                               | Sasolburg       | 15 645           | <b>7057</b>   |
|                                                                                                                                                | *Boschbank      | 0                | 0             |
|                                                                                                                                                | *Boschbank      | 0                | 0             |
|                                                                                                                                                | Vaalpark        | 7 620            | <b>3279</b>   |
|                                                                                                                                                | Zamdela         | 139129           | <b>23581</b>  |
|                                                                                                                                                | *Moodraai       | 0                | 0             |
|                                                                                                                                                |                 | <b>162 394</b>   |               |
| <b>DENEYSVILLE</b>                                                                                                                             | Deneysville     | 2 328            | <b>748</b>    |
|                                                                                                                                                | Refengkgotso    | 22 267           | <b>3506</b>   |
|                                                                                                                                                | *Themba Khubeka | 15 207           | <b>2635</b>   |
|                                                                                                                                                |                 | <b>39 802</b>    |               |
| <b>ORANJEVILLE</b>                                                                                                                             | Oranjeville     | 829              | <b>268</b>    |
|                                                                                                                                                | Metsimaholo     | 4 158            | <b>1439</b>   |
|                                                                                                                                                |                 | <b>4 987</b>     |               |
| <b>RURAL</b>                                                                                                                                   | *Kragbron       | 0                | 0             |
|                                                                                                                                                |                 | 0                | 0             |
|                                                                                                                                                | Villages        | 3 897            | <b>3936</b>   |
|                                                                                                                                                | Holdings        | 2 406            | <b>962</b>    |
|                                                                                                                                                |                 | <b>6 303</b>     |               |
| <b>TOTAL</b>                                                                                                                                   |                 | <b>213 486</b>   | <b>47 411</b> |

## COMMENT ON BACKGROUND DATA:

The results of Census 2011 reflects that the population of the municipality has grown by 11 628 (8.5%) from 2007 to 149 109 in 2011, whilst the number of households has increased by 6 987 (2.7%) to 45 755 over the same period. The average household size has dropped from 3.5 to 3.3 implying that households are becoming smaller. The age profile of the municipality shows a relatively younger population with 26.3% below 14 years, 69.4% between 15 and 64 years and only 4.4% of the population is older than 65 years.

The establishment of new townships in Moodraai and Themba Khubeka will also place a greater demand for additional basic services such as water, sanitation, electricity, housing, roads, etc.

# Chapter 1

T1.2.8

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

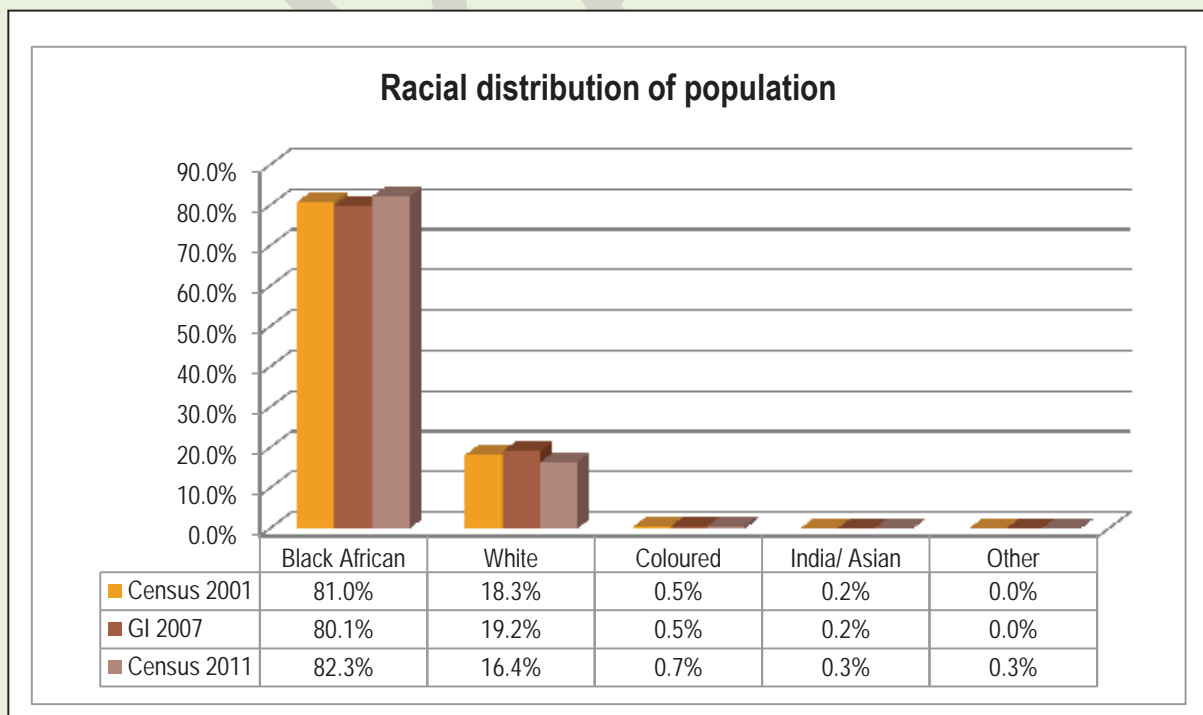
The municipality is doing relatively well in terms of access to water and electricity, whilst access to sanitation and refuse removal remains below the national targets set by government. Access to basic housing is also a challenge as this function is still performed by the Provincial Department of Human Settlements. Various service delivery targets have been set in the municipality's five-year IDP to ensure that access to basic services is realised in line with the national government's target dates.

Free basic services are provided to indigent households according to the municipality's indigent policy. This includes 10kl of water, 50kWh electricity, R50 subsidy on assessment rates, free sanitation and refuse removal per month. A total number of 8 530 households were recorded in the indigent register at the end of the 2012/13 financial year.

T 1.3.1

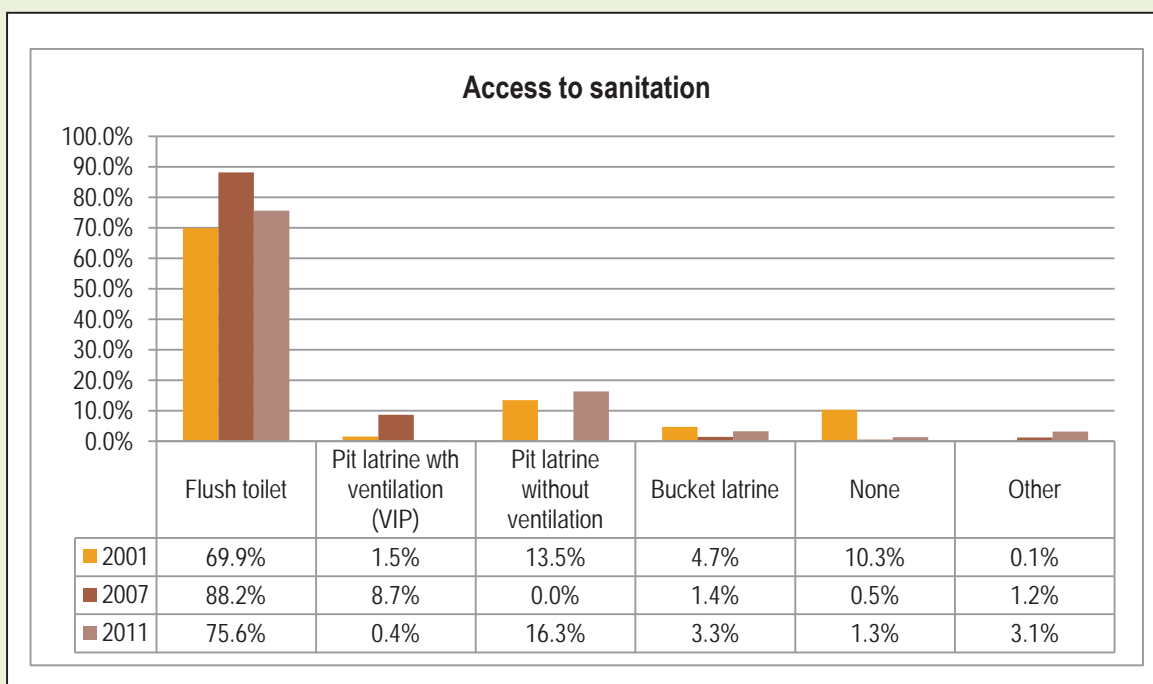
### Access to municipal services

#### Percentage distribution of households by water source

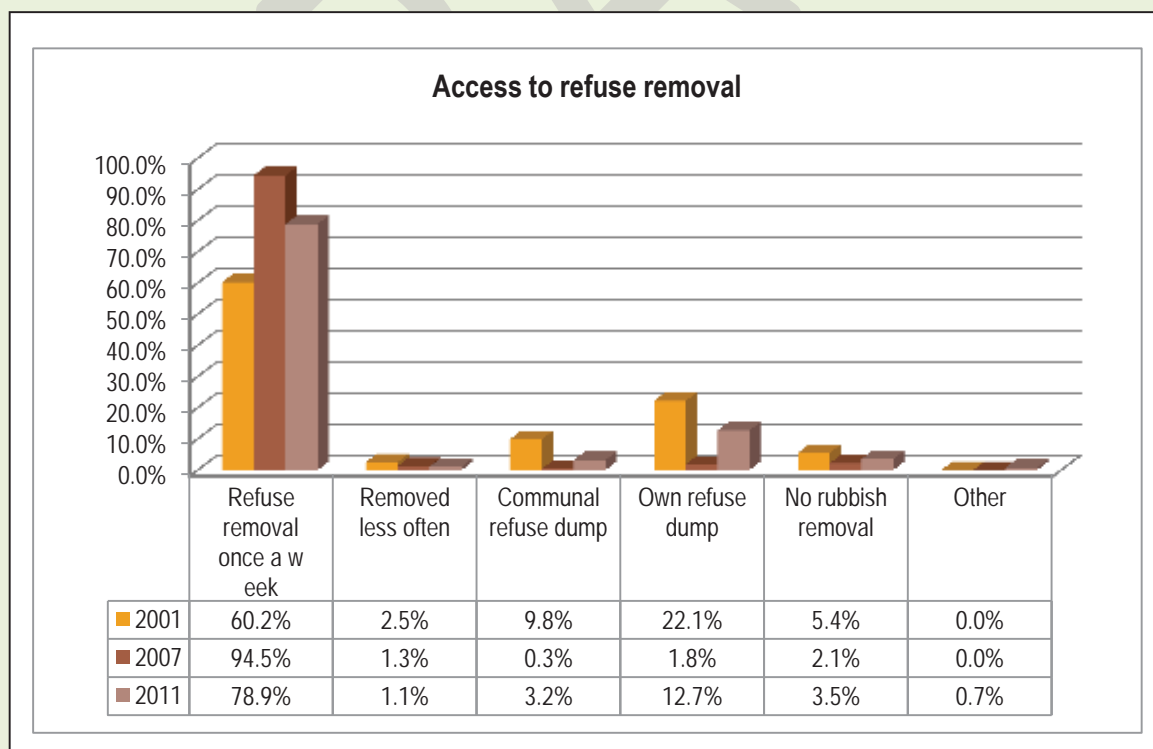


# Chapter 1

Percentage distribution of households by type of toilet facilities (sanitation)



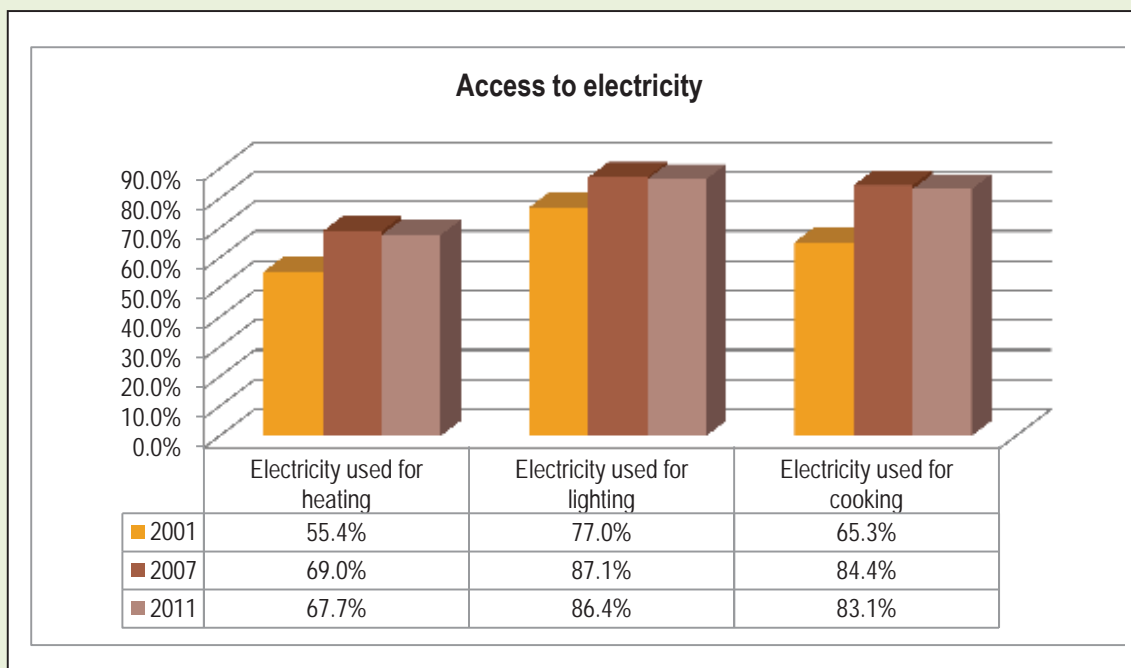
Percentage distribution of households by type of refuse removal





# Chapter 1

## Percentage distribution of households by type of energy



T1.3.2

### COMMENT ON ACCESS TO BASIC SERVICES:

93.8% of the population had access to piped water inside the dwelling and yard according to Census 2011. Challenges are experienced in regard to access to basic sanitation with 24% of households not having access to flush toilets and ventilated pit latrines (VIPs) and 78.9% of households receiving a weekly refuse removal service. More than 80% of households used electricity for lighting and cooking. The municipality has set targets for achieving the national outcomes for basic services in the 2012-2017 approved Integrated Development Plan (IDP).

The Municipality is currently restoring electricity in a form of cable replacement to those households. Due to the fact that migration into the municipality is largely from unemployed seeking work opportunities, access to basic services will be a continuous challenge due to the supply that needs to be in balance with the demand. There is decline in the access to electricity provision due to the fact that certain community members suffered from cable theft, as a result they have solicited to use other means for cooking and lighting. Zamdela Township and Extensions have detrimentally suffered with the electrical outages, however a sub-station is being built to reinforce the electrical supply in the township, which is anticipated to be completed by 2014

T1.3.3

# Chapter 1

## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The municipality's collection rate on taxes, levies and tariffs has declined to 85,6% as compared to 93%(2011/12) in the financial year under review. Employee cost remains relatively low compared to the National Treasury benchmark of 30%.The expenditure on the capital budget has remarkably improved in 2012/13. The municipality, however, still face challenges in regard to its cash flow management which has implications for spending patterns on repairs and maintenance, capital projects, etc.

T1.4.1

**Table 11: Financial Overview – 2012/13**

| Financial Overview: 2012/13 |                 |                   |           |
|-----------------------------|-----------------|-------------------|-----------|
|                             |                 |                   | R' 000    |
| Details                     | Original budget | Adjustment Budget | Actual    |
| Income:                     |                 |                   |           |
| Grants                      | 166 974         | 166 969           | 164 958   |
| Taxes, Levies and tariffs   | 516 708         | 516 708           | 463 781   |
| Other                       | 73 110          | 74 084            | 39 924    |
| Sub Total                   | 756 792         | 757 761           | 668 663   |
| Less: Expenditure           | (777 498)       | (762 841)         | (667 941) |
| Net Total*                  | (20 706)        | (5 080)           | 722       |
| * Note: surplus/(deficit)   |                 |                   | T 1.4.2   |

**Table 12: Operating Ratios**

| Operating Ratios             |       |
|------------------------------|-------|
| Detail                       | %     |
| Employee Cost                | 25.48 |
| Repairs & Maintenance        | 3.53  |
| Finance Charges & Impairment | 9.55  |
| T 1.4.3                      |       |

# Chapter 1

## COMMENT ON OPERATING RATIOS:

**Employee Cost:** The budgeted employee cost was 23.53% of total budgeted operating expenditure. Due to salary disparities and the actual expenditure below budget the ratio exceeded the budget.

**Repairs and maintenance:** Salaries of the maintenance staff is not included in calculation of 3.53%.

**Finance charges and Impairment:** The provision for debt impairment increased in 2012/13 with more than anticipated.

T1.4.3

Table 13: Total Capital Expenditure

| Total Capital Expenditure: 20011/12 to 2012/13 |          |         |         |
|------------------------------------------------|----------|---------|---------|
|                                                |          |         | R'000   |
| Detail                                         | 20010/11 | 2011/12 | 2012/13 |
| Original Budget                                | 344 317  | 278 227 | 137 902 |
| Adjustment Budget                              | 133 169  | 101 977 | 96 235  |
| Actual                                         | 44 377   | 86 336  | 78 113  |
|                                                |          |         | T 1.4.4 |

T1.4.5

## COMMENT ON CAPITAL EXPENDITURE:

The actual capital expenditure decrease from 84,7% of the adjusted budget in 2011/12 to 81.2 % in 2012/13. The reasons for this are more realistic budgeting for capital projects and better management of expenditure on MIG projects. The municipality however still experiences challenges in regard to capital projects funded from revenue due to cash flow constraints.

T 1.4.5.1

# Chapter 1

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality had 1 022 approved posts on its organisational structure with 621 employees and a vacancy rate of 39% at the end of the 2012/13 financial year. The turnover rate stood at 4%.

The most of workforce-related policies were approved by Council during the financial year under review.

The average injury leave per employee during 2012/13 was 30.58 days for 6 employees and the average sick leave per employee was 12 days. A total number of 3 833 sick leave days were taken by employees at an estimated cost of R 1691417.84

Skills development and capacitating the workforce is still a challenge due to planned training programme not being effectively implemented.

T1.5.1

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: 2012/13 (CURRENT YEAR)

The Municipality's audit opinion stays at qualified opinion as the same 2011/12 financial year. The Municipal financial position and its financial performance and cash flow for the year under review ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

T 1.6.1

# Chapter 1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

| No | Activity                                                                                                                                                                                                                                                                                                     | Timeframe           |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1  | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July                |
| 2  | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).                                                                                                                                                                                                            |                     |
| 3  | Finalise the 4th quarter Report for previous financial year                                                                                                                                                                                                                                                  |                     |
| 4  | Submit draft year 2012/13 Annual Report to Internal Audit and Auditor-General                                                                                                                                                                                                                                |                     |
| 5  | Municipal entities submit draft annual reports to MM                                                                                                                                                                                                                                                         |                     |
| 6  | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)                                                                                                                                                                                                      | August              |
| 8  | Mayor tables the unaudited Annual Report                                                                                                                                                                                                                                                                     |                     |
| 9  | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General                                                                                                                                                                        |                     |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase                                                                                                                                                                                                  |                     |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data                                                                                                                                                                                                 | September – October |
| 12 | Municipalities receive and start to address the Auditor General's comments                                                                                                                                                                                                                                   | November            |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report                                                                                                                                                                                            |                     |
| 14 | Audited Annual Report is made public and representation is invited                                                                                                                                                                                                                                           |                     |
| 15 | Oversight Committee assesses Annual Report                                                                                                                                                                                                                                                                   |                     |
| 16 | Council adopts Oversight report                                                                                                                                                                                                                                                                              | December            |
| 17 | Oversight report is made public                                                                                                                                                                                                                                                                              |                     |
| 18 | Oversight report is submitted to relevant provincial councils                                                                                                                                                                                                                                                | January             |
| 19 | Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input                                                                                                                                                                              |                     |

T1.7.1

# Chapter 1

## **COMMENT ON THE ANNUAL REPORT PROCESS:**

The municipality was able to meet the new deadlines as per MFMA Circular No. 63, issued by the National Treasury in September 2012. However, substantial progress has been made to align the format and contents of the 2012/13 Annual Report with the guidelines issued by the National Treasury. Moreover, an improvement for total alignment is still needed for the coming financial year (2013/14). The municipality appreciates the importance of alignment between the IDP, Budget and Performance Management System and the process to ensure proper alignment is continuously being reviewed and implemented.

*T1.7.1.1*

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

Governance structures and processes in the municipality are aligned to the relevant legislative provisions in the Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act. The interface between political and administrative structures are managed by the Executive Mayor and Municipal Manager, the municipality participated effectively in the various inter-governmental structures, public accountability and participation are managed by the Speaker's Office and the Executive Mayor in terms of their respective responsibilities and a number of corporate governance arrangements have been institutionalized to ensure legislative compliance and best practices.

T2.0.1

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

*Note: The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.*

The Council is vested with the responsibility to oversee the performance of the administration through council and committee meetings. The Executive Mayor provides the link between the Council and Administration and is responsible for regular monitoring and for tabling of reports before council. The administration, headed by the Municipal Manager, is responsible for the day-to-day operations of the municipality.

T2.1.0



# Chapter 2

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

*Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality*

Section 151 of the Constitution, 1996 states that the executive and legislative authority of a municipality is vested in its municipal council. This is complemented by the Municipal Structures Act and Municipal Systems Act. In terms of section 160(2) of the Constitution, 1996, the following powers may not be delegated by a municipal council and must therefore be exercised by council: passing of by-laws, approval of budgets, imposition of rates and taxes, levies and duties and the raising of loans. The Speaker is appointed by Council and performs functions in terms of section 37 of the Municipal Structures Act, such as presiding at council meetings and overseeing the work of council committees.

The Council appointed an Audit and Performance Audit Committee which performs its functions in accordance with section 166(2) of the MFMA and the approved audit committee charter. This Committee reports directly to Council and make recommendations to Council in terms of its functions.

The Executive Mayor exercises his responsibilities in terms of the Municipal Structures Act, Municipal Systems Act, and Municipal Finance Management Act and in accordance with any powers and functions so delegated by the Council. The Executive Mayor is assisted by a Mayoral Committee who has been appointed in terms of section 60(1)(a) of the Municipal Structures Act. Members of the Mayoral Committee have been assigned specific areas of responsibility and chair the various portfolio committees (See **Appendix B** for committees and committee purposes). The portfolio committees consist of Councillors and reports directly to the Mayoral Committee.

The municipality has established an Oversight Committee, comprised of non-executive councillors, with the specific purpose of providing your Council with comments and recommendations on the Annual Report. The Oversight Committee report on the 2012/13 Annual Report will be published separately in accordance with MFMA guidance.

T2.1.1

# Chapter 2

**EXECUTIVE MAYOR**

**Cllr: B.T MAHLAKU**



**FUNCTION:**

*Overall political responsibility for sound governance and service delivery*

**EXECUTIVE MAYOR**

**Cllr: S.Z MATENA**



**FUNCTIONS:**

*Public participation, ward committees and managing Council and Committee Meetings.*

**EXECUTIVE MAYOR**

**Cllr: T.L SOETSANG**



**FUNCTIONS:**

*Encourages discipline among Councillors; Managing relations between political Parties and representation on Committees*

# Chapter 2

*Photos (optional)*

## **MAYORAL COMMITTEE**

Ms S L Tshongwe

Ms N J Kubheka

Ms N J Kubheka(Acting)

Ms AN Radebe

Ms A N Radebe(Acting)

Mr LS Semonyo

L S Semonyo (Acting)

M W Khonto

*Corporate Services*

*Technical Services*

*LED, Tourism and Agriculture*

*Social Development, Sports, Arts and Culture*

*Public Safety*

*Finance and IDP*

*Urban Planning and Human Settlements*

*Special Programmes*

T2.1.1

## **COUNCILLORS**

The municipality has 42 Councilors of which 21 are Ward Councilors and 21 PR Councilors. A full list of Councilors can be found (including committee allocations and attendance at council meetings) in **Appendix A**. Further note that **Appendix B** sets out committees and committee purposes.

T2.1.2

## **POLITICAL DECISION-TAKING**

Political decisions are taken through the Council meeting by way of voting and consensus, 100%

T2.1.3

# Chapter 2

## 2.2 ADMINISTRATIVE GOVERNANCE

### **INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

Note: MFMA section 60(b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The Municipal Manager is the accounting officer of the municipality and the head of the administration and reports directly to the Executive Mayor and Council. Directors (section 56 managers) report directly to the Municipal Manager and their performance is managed by the Municipal Managers in terms of the annually signed performance agreements and plans.

Directors are responsible for the management of their respective functions/departments, which include the management of service delivery programmes and targets, personnel and budgets.

The Municipal Manager ensures accountability by departments through weekly and monthly management meetings and quarterly performance reviews of Directors.

T2.2.1

# Chapter 2

|                                                                                                                  |                                                    |                                                                               |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------|
| Photo                                                                                                            | <b>TOP ADMINISTRATIVE STRUCTURE</b>                | <b>Function</b>                                                               |
|                                                                                                                  | <b>TIER 1</b>                                      |                                                                               |
|                                                                                                                  | <b>MUNICIPAL MANAGER</b>                           |                                                                               |
|                                                                                                                  | Mr. S.M Molala                                     | Accounting Officer and Head of the administration                             |
| Photo                                                                                                            | <b>TIER 2</b>                                      |                                                                               |
| Executive                                                                                                        | <b>CHIEF FINANCIAL OFFICER (Vacant)</b>            |                                                                               |
| Directors                                                                                                        | (Acting CFO) Ms. A Vorster                         | Revenue, Expenditure, Asset and Liability Management; Budgeting and Reporting |
| Directors                                                                                                        |                                                    |                                                                               |
| Optional                                                                                                         |                                                    |                                                                               |
|                                                                                                                  | <b>DIRECTOR: Technical Services</b>                |                                                                               |
|                                                                                                                  | Mr.R Thekiso                                       | Water, Sanitation, Electricity, Roads, Storm water and PMU                    |
|                                                                                                                  | <b>DIRECTOR: Corporate Services</b>                |                                                                               |
|                                                                                                                  | Mrs M.J.M. Maseola                                 | Human Resources, Auxiliary and Legal Services, Council Support                |
|                                                                                                                  | <b>DIRECTOR: Social Services</b>                   |                                                                               |
|                                                                                                                  | Mr. S.L. Lempe                                     | Waste management, Sport & Recreation, Arts & Culture, Public Safety and Parks |
|                                                                                                                  | <b>DIRECTOR: Economic Development and Planning</b> |                                                                               |
|                                                                                                                  | Ms. S.J. Monyaki                                   | Housing, Urban Planning and Local Economic Development                        |
|                                                                                                                  |                                                    | T2.2.2                                                                        |
| Appendix 'C' indicates all the third tier posts under each Director as per the approved organizational structure |                                                    |                                                                               |

# Chapter 2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution section 41.

In current financial year the municipality has participated actively in the various structures such as National, Provincial and District IGR platforms.

T 2.3.0

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

In current financial year Municipality did not participate actively in the structure.

T2.3.1

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The main structure is the Premier's Coordinating Forum (PCF) in which the Executive Mayor and Municipal Manager participate. The municipality did participate in these structure and this has promoted good inter relations, best practices and information sharing amongst stakeholders.

T2.3.2

### RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality does not have any active municipal entities. The dormant Mayoral Trust is in the process of being dissolved and this legal process is expected to be completed during the 2012/13 financial year. A complete list of entities and delegated functions should be set out in **Appendix D**.

T2.3.3

### DISTRICT INTERGOVERNMENTAL STRUCTURES

The main structure is the District Coordinating Forum (DCF) in which the Executive Mayor and Municipal Manager participate. This has promoted good relations and best practices in leadership and governance between local municipalities and the district municipality

T2.3.4

# Chapter 2

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The municipality managed to establish functional ward committees which held monthly meetings convened by the Ward Councilor as Chairperson. These committees served as a link to represent the aspirations, concerns and needs of the community.

Service delivery challenges such as electricity outages, water, sanitation, IGGs and roads were major issues dealt with by the ward committees.

T 2.4.0

### 2.4 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

In most cases the purpose of the public meetings was the establishment of ward committees, IDP and Budget consultations and the review/updating of community needs. All community sectors and stakeholders such as Business and NGOs were engaged through meetings of the IDP Representative Forum.

T2.4.1



# Chapter 2

## WARD COMMITTEES

The municipality managed to establish functional ward committees in all 21 wards. Monthly meetings convened by the Ward Councilor as Chairperson were held in the majority of the municipal wards. These committees serve as a link to between the municipality and communities and represent the aspirations, concerns and needs of the community.

Service delivery challenges such as electricity outages, water, sanitation, IGGs and roads were major issues dealt with by the ward committees.

T2.4.2

Table 14: Public Meetings

| Public Meetings                                         |                   |                                               |                                                  |                                       |                                                          |                                                 |
|---------------------------------------------------------|-------------------|-----------------------------------------------|--------------------------------------------------|---------------------------------------|----------------------------------------------------------|-------------------------------------------------|
| Nature and purpose of meeting                           | Date of events    | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issue addressed (Yes/No)                                 | Dates and manner of feedback given to community |
| Caring for children, elderly and people with disability | 8 July 2012       | 25                                            | 7                                                | 200                                   | Vulnerability of children and elderly                    |                                                 |
| Launching of Batho Pele Forums                          | 05 September 2012 | 0                                             | 23                                               | 0                                     | Establishment of Batho Pele Forums                       |                                                 |
| Transport month campaign                                | 24 October 2012   | 23                                            | 6                                                | 100                                   | The importance of public transport                       |                                                 |
| Public Education outbound programme                     | 22 November 2012  | 0                                             | 6                                                | 45                                    | How parliament works                                     |                                                 |
| IDP REP RORUM                                           | 29 November 2012  | 3                                             | 7                                                | 36                                    | Projects and programmes in the IDP                       |                                                 |
| Consumer Education                                      | 8-12 April 2013   | 25                                            | 8                                                | 50                                    | Consumer rights                                          |                                                 |
| Batho Pele Principles Workshop                          | 14 May 2013       | 0                                             | 7                                                | 0                                     | Implementation of Batho Pele                             |                                                 |
| Polio and Measles Workshop                              | 29 April 2013     | 0                                             | 7                                                | 65                                    | The importance of immunisation                           |                                                 |
| IDP and Budget                                          | 16 April 2013     | 10                                            | 9                                                | 150                                   | Feedback on implementation of project and budget tabling |                                                 |
|                                                         |                   |                                               |                                                  |                                       |                                                          | T 2.4.3                                         |

# Chapter 2

## COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Through public meetings held the municipality managed to strengthen partnerships with communities by empowering them with information and involvement in decision making.

T2.4.3.1

## 2.5 IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria*                                      | Yes/No |
|--------------------------------------------------------------------------------|--------|
| Does the municipality have impact, outcome, input, output indicators?          | No     |
| Does the IDP have priorities, objectives, KPIs, development strategies?        | Yes    |
| Does the IDP have multi-year targets?                                          | Yes    |
| Are the above aligned and can they calculate into a score?                     | No     |
| Does the budget align directly to the KPIs in the strategic plan?              | No     |
| Do the IDP KPIs align to the Section 57 Managers                               | Yes    |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP?                 | Yes    |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes              | Yes    |
| Were the indicators communicated to the public?                                | Yes    |
| Were the four quarter aligned reports submitted within stipulated time frames? | No     |
| * Section 26 Municipal Systems Act 2000                                        |        |

T2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The municipality endeavors to comply with the regulatory frameworks and best practices regarding corporate governance. This includes the establishment of a risk management function, internal audit unit and independent audit committee and the implementation of fraud and anti-corruption policies and measures.

T2.6.0

# Chapter 2

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

## 2.6. RISK MANAGEMENT

### The Need for Risk Management

Risk management provides a clear and structured approach to identifying risks. Having a clear understanding of all risks allows the municipality to measure and prioritize them and take the appropriate actions to reduce losses.

### Benefits of Risk Management

The Metsimaholo Local Municipality implements and maintains effective, efficient and transparent systems of risk management and internal control. The risk management will assist the municipality to achieve, among other things, the following outcomes needed to underpin and enhance performance:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigor and analysis;
- innovation;
- reduced waste;
- prevention of fraud and corruption;
- better value for money through more efficient use of resources; and
- Better outputs and outcomes through improved project and programme management.

### Top Risks to the Municipality

1. Absence of Disaster Recovery and Business Continuity Plan

# Chapter 2

2. Ageing vehicles and equipment used for service delivery (Non availability of vehicles; Lack of capacity for refuse removal)
3. Provision for the rehabilitation of landfill sites not raised (No provision raised for environmental rehabilitation)
4. Irregular expenditure (All irregular expenditure as defined by the MFMA is not disclosed in the Annual Financial Statements)
5. Payment of Creditors within 30 days from receipt of invoice not performed
6. Unauthorized expenditure
7. Non-compliance with section 116 of the MFMA
8. Unfunded budget (Inability to deliver services due to inadequate funding)
9. No LED Strategy and SMME Plan
10. Bribery and corruption

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

There is draft fraud prevention in place which includes the policy on whistle blowing and also in the process of being approved by Council. The fraud hotline number is in the process of being approved by Council. Once the hotline number has been approved by Council, all cases reported will be investigated and reported. To date no case of fraud and corruption has been reported for investigation.

There is also an Investigation Committee which investigates all irregular expenditures and reports these to Council.

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

# Chapter 2

The reviewed supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in February 2012. All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers.

T2.8.1

## 2.9 BY-LAWS

**Table 15: By-laws introduced**

| By-laws Introduced during 2012/13 |         |                                                                      |                               |                            |                     |
|-----------------------------------|---------|----------------------------------------------------------------------|-------------------------------|----------------------------|---------------------|
| Newly Developed                   | Revised | Public Participation Conducted Prior to Adoption of By-Laws (Yes/No) | Dates of Public Participation | By-Laws Gazetted* (Yes/No) | Date of Publication |
| 34 Draft by-laws                  | None    | No                                                                   | N/A                           | No                         | N/A                 |
|                                   |         |                                                                      |                               |                            |                     |
|                                   |         |                                                                      |                               |                            |                     |
|                                   |         |                                                                      |                               |                            |                     |
|                                   |         |                                                                      |                               |                            |                     |
|                                   |         |                                                                      |                               |                            |                     |
|                                   |         |                                                                      |                               |                            |                     |

\*Note: See MSA section 13.

T 2.9.1

### COMMENT ON BY-LAWS:

Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

Public participation processes or consultative meetings on by-laws will be undertaken during the next financial year. A By-law enforcement unit has been established to ensure effective enforcement of all municipal by-laws.

# Chapter 2

T2.9.1.1

## 2.10 WEBSITES

Table 16: Municipal Website

| Municipal Website: Content and Currency of Material                                                                                                                                                                                                                                                                       |          |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------|
| Documents published on the Municipality's / Entity's Website                                                                                                                                                                                                                                                              | Yes / No | Publishing Date   |
| Current annual and adjustments budgets and all budget-related documents                                                                                                                                                                                                                                                   | Yes      | Date not recorded |
| All current budget-related policies                                                                                                                                                                                                                                                                                       | Yes      | Date not recorded |
| The previous annual report (2011/12)                                                                                                                                                                                                                                                                                      | Yes      | Date not recorded |
| The annual report (2012/13) published/to be published                                                                                                                                                                                                                                                                     | Yes      | February 2013     |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2012/13) and resulting scorecards                                                                                                                                                                                  | Yes      | August 2013       |
| All service delivery agreements (2012/13)                                                                                                                                                                                                                                                                                 | No       |                   |
| All long-term borrowing contracts (2012/13)                                                                                                                                                                                                                                                                               | No       |                   |
| All supply chain management contracts above a prescribed value (give value) for 2012/13                                                                                                                                                                                                                                   | No       |                   |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2011/12                                                                                                                                                                  | No       |                   |
| Contracts agreed in 2012/13 to which subsection (1) of section 33 apply, subject to subsection (3) of that section                                                                                                                                                                                                        | No       |                   |
| Public-private partnership agreements referred to in section 120 made in 2012/13                                                                                                                                                                                                                                          | No       |                   |
| All quarterly reports tabled in the council in terms of section 52 (d) during 2012/13                                                                                                                                                                                                                                     | No       |                   |
| <i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i> |          |                   |

T 2.10.1

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

It is expected that the webmaster, in conjunction with ICT, will ensure major improvement in the management of the municipality's website in the next financial years. Furthermore, ensure that the municipality's website comply with all legislative requirements in general and section 75 of the MFMA in particular. Department of the Premier has already started with the development of the new website for the Municipality.

T2.10.1.1

# Chapter 2

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

The municipality last conducted a socio-economic ward profile study in 2010. This was done through face to face interviews with systematically selected respondents from the sampled households. A total of 1960 households were systematically selected where interviews were to be held with one member of the household. However, only 1785 interviews were realized.

The main objectives of the study were as follows:

- To collect household data on the demographic profile of all wards: population estimates, number of households in each ward, age profile, gender and race profile, disabilities.
- To collect household data on the socioeconomic profile of wards: education profile, household income categories and sources, employment status (employed, unemployed, not economically active), and tenure status, etc
- To collect household data on access to services of wards: access to water, sanitation, electricity, refuse removal, roads, housing, community halls, libraries, health services e.g. clinics or hospitals, recreational facilities, sports facilities, ambulance and fire rescue services, etc.

T2.11.1



# Chapter 2

**Table 17: Satisfaction Surveys Undertaken**

| Satisfaction Surveys Undertaken during: 2010/11                                                                               |                         |               |                                  |                                                       |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|----------------------------------|-------------------------------------------------------|
| Subject matter of survey                                                                                                      | Survey method           | Survey date   | No. of people included in survey | Survey results indicating satisfaction or better (%)* |
| Overall satisfaction with:                                                                                                    | Face-to-face interviews | Nov-Dec. 2010 | 1 785                            |                                                       |
| (a) Municipality (municipal experiences)                                                                                      |                         |               |                                  | 85%                                                   |
| (b) Municipal Service Delivery                                                                                                |                         |               |                                  | 23.5%                                                 |
| (c) Mayor                                                                                                                     |                         |               |                                  | N/a                                                   |
| Satisfaction with:                                                                                                            |                         |               |                                  |                                                       |
| (a) Refuse Collection                                                                                                         |                         |               |                                  | 53%                                                   |
| (b) Road Maintenance                                                                                                          |                         |               |                                  | 43%                                                   |
| (c) Electricity Supply                                                                                                        |                         |               |                                  | 41%                                                   |
| (d) Water Supply                                                                                                              |                         |               |                                  | 57%                                                   |
| (e) Information supplied by municipality to the public                                                                        |                         |               |                                  | N/a                                                   |
| (f) Opportunities for consultation on municipal affairs (participation in ward committees)                                    |                         |               |                                  | 53%                                                   |
| * The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory |                         |               |                                  |                                                       |
| T 2.11.2                                                                                                                      |                         |               |                                  |                                                       |

## COMMENT ON SATISFACTION LEVELS:

The municipality plans to do a follow-up survey, depending on availability of funding, to determine whether there has been an improvement in community satisfaction levels.

T2.11.2.2

# Chapter 3

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

The municipality has undoubtedly made major progress in accelerating service delivery throughout the area of jurisdiction. This, however, happens in the context of low revenue collection and the major impact that the global recession has even in our municipality. More than ever, we are conscious of the need to achieve more with not even the same, but less resources available to us.

Whilst our emphasis on service delivery is maintained, we were able to construct 25 high masts light in the municipal area, 5ML reservoir in Amelia completed for water supply in Amelia and the planned Moidraai, 310 infills in Zamdela we connected with piped water in the yard. Moreover, 89,4% on Blue-drop was achieved placing the Municipality as the second best performing municipality in the province.

With our intention to maintain and expand our initiatives to promote nation building and create a socially cohesive society, and responding to community dissatisfaction around the bucket system, CoCTA successfully the bucket eradication project valued at R 5,5 million, which the project implemented in financial year under review. Construction of sewer services and networks in Amelia was started in March 2012 to benefit 2 500 stands. The Municipality continues with its investment in major capital projects by undertaking projects such as Augmentation of the Water Purification Works valued at R 37 million, resealing of roads R 9 million, Amelia 11/88KV line and Substation to be completed by 2014 as a multi year project. Upgrading of the intersection in Zamdela with interlocking paving blocks and pedestrian walks funded by the Fezile Dabi District was completed through the EPWP initiative. Furthermore, 1221 jobs has been created through Community Work Programmes (CWP) which are aiming to enhance service delivery and changing the lives of our people to the better.

Themba-Khubeka informal settlement was serviced with communal standpipes and removal of sewer buckets to approximately 2 468 stands on a weekly basis. The refuse collection has been also extended to this area.

T3.0.1

# Chapter 3

## COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

### INTRODUCTION TO BASIC SERVICES

93.8% of the population had access to piped water inside the dwelling and yard according to Census 2011. Challenges are experienced in regard to access to basic sanitation with 24% of households not having access to flush toilets and ventilated pit latrines (VIPs) and 78.9% of households receiving a weekly refuse removal service. More than 80% of households used electricity for lighting and cooking. The municipality has set targets for achieving the national outcomes for basic services in the 2012-2017 approved Integrated Development Plan (IDP).

The Municipality is currently restoring electricity in a form of cable replacement to those households. Due to the fact that migration into the municipality is largely from unemployed seeking work opportunities, access to basic services will be a continuous challenge due to the supply that needs to be in balance with the demand. There is decline in the access to electricity provision due to the fact that certain community members suffered from cable theft, as a result they have solicited to use other means for cooking and lighting. Zamdela Township and Extensions have detrimentally suffered with the electrical outages; however a sub-station is being built to reinforce the electrical supply in the township, which is anticipated to be completed by July 2014.

T3.1.0

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005  
Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

The management of the Water Provision services to approximately 41758 households are done in two categories the one being the bulk supply being done by RANDWATER Water Board (Sasolburg zone) and the other being water being extracted from VAALDAM and purified (Deneysville and Oranjeville zones). There is no challenge as to the supply of water to the Municipality. The Municipality was rated at 89.3% on the Blue drop assessment. The purification works at Deneysville are being expanded to accommodate the increased consumption and growth within the area. The informal areas are being provided with communal water taps where needed and networks being installed within the allowable funds from MIG.

T3.1.1

# Chapter 3

**Table 18: Total use of Water by Sector**

| Total Use of Water by Sector (cubic meters) |             |          |            |            |                            |
|---------------------------------------------|-------------|----------|------------|------------|----------------------------|
|                                             | Agriculture | Forestry | Industrial | Domestic   | Unaccountable water losses |
| 2011/12                                     | 0           | 0        | 6 903 700  | 10 691 800 | 1 231 685                  |
| 2012/13                                     | 0           | 0        |            |            |                            |

T 3.1.2

**COMMENT ON WATER USE BY SECTOR:**

No official water supply as to agriculture and forestry are done. Industries also use raw water (direct from the Vaal River) during their chemical processes that ease the burden on the provision of potable water. Only minimal treatment of this water is done within the industrial processes.

T3.1.2.2

# Chapter 3

**Table 19: Water Service Delivery Levels**

| Water Service Delivery Levels                     |            |            |            |            |
|---------------------------------------------------|------------|------------|------------|------------|
| Description                                       | Households |            |            |            |
|                                                   | 2009/10    | 2010/11    | 2011/12    | 2012/13    |
|                                                   | Actual No. | Actual No. | Actual No. | Actual No. |
| <b>Water: (above min level)</b>                   |            |            |            |            |
| Piped water inside dwelling                       | 33 171     | 33 676     | 34 189     | 34 189     |
| Piped water inside yard (but not in dwelling)     | 4 850      | 4 800      | 4 894      | 4 894      |
| Using public tap (within 200m from dwelling )     | 2 635      | 2 635      | 2 635      | 2 635      |
| Other water supply (within 200m)                  | 0          | 0          | 40         | 40         |
| Minimum Service Level and Above sub-total         | 40 656     | 41 111     | 41 758     | 41 758     |
| Minimum Service Level and Above Percentage        | 100%       | 100%       | 100%       | 100%       |
| <b>Water: (below min level)</b>                   |            |            |            |            |
| Using public tap (more than 200m from dwelling)   |            |            |            |            |
| Other water supply (more than 200m from dwelling) |            |            |            |            |
| No water supply                                   |            |            |            |            |
|                                                   | 0          | 0          | 0          | 0          |
|                                                   | 0          | 0          | 0          | 0          |
|                                                   | 0          | 0          | 0          | 0          |
| Below Minimum Service Level sub-total             | 0          | 0          | 0          | 0          |
| Below Minimum Service Level Percentage            | 0%         | 0%         | 0%         | 0%         |
| <b>Total number of households*</b>                | 40 656     | 41 111     | 41 758     | 41 758     |

\* - To include informal settlements

T 3.1.3

**Table 20: Households – Water Service Delivery Levels below minimum**

| Households - Water Service Delivery Levels below the minimum |            |            |            |                     |                     |            |
|--------------------------------------------------------------|------------|------------|------------|---------------------|---------------------|------------|
| Description                                                  | Households |            |            |                     |                     |            |
|                                                              | 2009/10    | 2010/11    | 2011/12    | 2012/13             |                     |            |
|                                                              | Actual No. | Actual No. | Actual No. | Original Budget No. | Adjusted Budget No. | Actual No. |
| <b>Formal Settlements</b>                                    |            |            |            |                     |                     |            |
| Total households                                             | 0          | 0          | 0          |                     |                     | 2 537      |
| HHs below minimum service level                              | 0          | 0          | 0          |                     |                     | 0          |
| Proportion of HHs below minimum service level                | 0%         | 0%         | 0%         |                     |                     | 5%         |
| <b>Informal Settlements</b>                                  |            |            |            |                     |                     |            |
| Total households                                             | 0          | 0          | 0          |                     |                     | 800        |
| HHs below minimum service level                              | 0          | 0          | 0          |                     |                     | 0          |

# Chapter 3

|                                               |    |    |    |  |  |  |
|-----------------------------------------------|----|----|----|--|--|--|
| Proportion of HHs below minimum service level | 0% | 0% | 0% |  |  |  |
| T 3.1.4                                       |    |    |    |  |  |  |

\* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute  
# 6,000 liters of potable water supplied per formal connection per month

T3.1.5

# Chapter 3

Table 21: Water Service Policy Objectives taken from IDP/SDBIP

| Key Performance indicators                                                                       | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance                                                                   | Corrective measures taken or to be taken |
|--------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------|
| % of total HHs with access to potable water in <u>formalised</u> areas (metered yard connection) | 98.9%             | 93.2% <sup>7</sup>     | Not applicable                   | Mooiplaats (2 537) stands will only be completed in 2013/14; Focus will be on completion of bulk supply | Not applicable                           |
| % of purification works (WTW) in Refengkotso augmented                                           | 80%               | 100%                   | Target Achieved<br>100%          | Not applicable                                                                                          | Not applicable                           |
| % of 9ML reservoir completed                                                                     | 75%               | 100%                   | Target Achieved<br>100%          | Not applicable                                                                                          | Not applicable                           |
| % of bulk water infrastructure maintained as per approved maintenance plan and budget            | 100%              | 100%                   | Target Achieved<br>100%          | Not applicable                                                                                          | Not applicable                           |

<sup>7</sup> Backlog= 2 537 residential stands in the newly proclaimed Mooiplaats area (6.8%)



# Chapter 3

| Key Performance indicators                                                                | Baseline: 2011/12 | Annual target: 2012/13            | Actual performance: 30 June 2013 | Reasons for non- or under-performance                                                                   | Corrective measures taken or to be taken        |
|-------------------------------------------------------------------------------------------|-------------------|-----------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| % of total HHs with access to potable water in formalised areas (metered yard connection) | 98.9%             | 93.2% <sup>7</sup>                | Not applicable                   | Mooiplaats (2 537) stands will only be completed in 2013/14. Focus will be on completion of bulk supply | Not applicable                                  |
| % reduction in water distribution losses                                                  | 12%               | 6%                                | Target not Achieved<br>12.9%     | Unmetered stand pipes and unread areas such as Amelia, department usage and Thembu Ubukholo             | Communal meter stand pipes by end of Sept. 2013 |
| % of reported water leaks repaired within 48 hours                                        | 95%               | 96%                               | Target Achieved<br>96%           | Not applicable.                                                                                         | Not applicable.                                 |
| % compliance with the blue drop water quality accreditation system                        | 89.4%             | 90%<br>(Revised to 89%)           | Target Achieved<br>89.3%         | Not applicable.                                                                                         | Not applicable.                                 |
| % of WSDP developed and approved                                                          | 90%<br>(Ph 2)     | 100%<br>(Modules 2,3&4) completed | 0%                               | Awaiting DWA for appointment of services provider                                                       |                                                 |
| % of water demand management plan developed and approved (including annual reviews)       | 60%               |                                   | Target Achieved<br>100%          | Not applicable.                                                                                         | Not applicable.                                 |

# Chapter 3

Table 22: Employees – Water Services

| Employees: Water Services |           |         |           |                                  |                                   |
|---------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                 | 2011/12   | 2012/13 |           |                                  |                                   |
|                           | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                           | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                     | 0         | 0       | 0         | 0                                | 0                                 |
| 4 - 6                     | 3         | 3       | 3         | 0                                | 0                                 |
| 7 - 9                     | 6         | 7       | 6         | 1                                | 14                                |
| 10 - 12                   | 8         | 110     | 8         | 2                                | 20                                |
| 13 - 15                   | 5         | 16      | 5         | 11                               | 68                                |
| 16 - 18                   | 14        | 16      | 14        | 2                                | 12                                |
| 19 - 20                   | 0         | 0       | 0         | 0                                | 0                                 |
| Total                     | 36        | 52      | 36        | 16                               | 31                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Table 23: Financial Performance – Water ServicesFinancial Performance 2012/13: Water Services

| R'000                                |                |                 |                   |                |                    |
|--------------------------------------|----------------|-----------------|-------------------|----------------|--------------------|
| Details                              | 2011/12        | 2012/13         |                   |                |                    |
|                                      | Actual         | Original Budget | Adjustment Budget | Actual         | Variance to Budget |
| <b>Total Operational Revenue</b>     | <b>187 217</b> | <b>212 289</b>  | <b>212 289</b>    | <b>217 129</b> | <b>2%</b>          |
| Expenditure:                         |                |                 |                   |                |                    |
| Employees                            | 7 446          | 8 349           | 8 169             | 7 862          | 6%                 |
| Repairs and Maintenance              | 3 631          | 6 443           | 6 443             | 3 667          | 43%                |
| Other                                | 154 800        | 163 222         | 161 967           | 168 105        | 3%                 |
| <b>Total Operational Expenditure</b> | <b>165 877</b> | <b>178 014</b>  | <b>176 579</b>    | <b>179 634</b> | <b>1%</b>          |
| <b>Net Operational Expenditure</b>   | <b>21 340</b>  | <b>34 275</b>   | <b>35 710</b>     | <b>37 495</b>  | <b>9%</b>          |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by Budget.

# Chapter 3

**Table 24: Capital Expenditure – Water Services please provide names of projects**

| Capital Expenditure 2012/13: Water Services                                                                                                     |           |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                          |           |                   |                    |                               |                     |
| Capital Projects                                                                                                                                | 2012/13   |                   |                    |                               |                     |
|                                                                                                                                                 | Budget    | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |           |                   |                    |                               |                     |
| Project A (name)Augmentation                                                                                                                    | 37 000000 |                   | 37 000000          |                               | 37 000000           |
| Project B (name)                                                                                                                                |           |                   |                    |                               |                     |
| Project C (name)                                                                                                                                |           |                   |                    |                               |                     |
| Project D (name)                                                                                                                                |           |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |           |                   |                    |                               |                     |
| T 3.1.9                                                                                                                                         |           |                   |                    |                               |                     |

## COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The municipality is performing fairly well, and it is attested by the blue drop score of 89,3 % overall as the water is currently provided by the Municipality as piped-water with a water backlog (bulk) of 35 ML a day. Currently a 9ML reservoir projects is completed in order to achieve the millennium goals towards the 35ML required per day. About 95% of the residents have access to water in their yards. Communal standpipes have been provided to the remaining 5% of the community, i.e Themba-Khubeka section near Refenkgotso).

T3.1.10

# Chapter 3

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

The management of the Sanitation Provision services are done in two categories the one being the treatment being done under contract by Sasol Chemical Industries (Sasolburg zone) and the other being treated by two Municipal plants ( Deneysville and Oranjeville zones). The challenge as to the treatment of sewer effluent lies in the needed enlargement of the treatment plants of the Municipality being assessed and to be included in the sanitation sector plan. PSPs for the compilation of the master and sector plan will be sought during the next financial year, dependant on funding. The Municipality was rated at 90% on the Green Drop assessment. The informal areas are being provided with a temporary bucket system where needed and permanent networks being installed within the allowable funds from MIG.

T3.2.1

Table 25: Sanitation Service Delivery Levels

| Sanitation Service Delivery Levels                                |                |                |                |                        |
|-------------------------------------------------------------------|----------------|----------------|----------------|------------------------|
| Description                                                       | 2009/10        | 2010/11        | 2011/12        | *Households<br>2012/13 |
|                                                                   | Outcome<br>No. | Outcome<br>No. | Outcome<br>No. | Actual<br>No.          |
| <b>Sanitation/sewerage: (above minimum level)</b>                 |                |                |                |                        |
| Flush toilet (connected to sewerage)                              | 27 500         | 31 855         | 33 423         | 36 423                 |
| Flush toilet (with septic tank)                                   | 5208           | 5288           | 5288           | 5 288                  |
| Chemical toilet                                                   |                |                |                |                        |
| Pit toilet (ventilated)                                           |                |                |                |                        |
| Other toilet provisions (above minimum service level)             |                |                |                |                        |
| Minimum Service Level and Above sub-total                         | 32 708         | 37 143         | 38 711         | 41 711                 |
| Minimum Service Level and Above Percentage                        | 79.3%          | 81.2%          | 81.6%          | 87,9%                  |
| <b>Sanitation/sewerage: (below minimum level)</b>                 |                |                |                |                        |
| Bucket toilet                                                     | 5530           | 5614           | 5700           | 2 700                  |
| Other toilet provisions (below min.service level)                 | 3000           | 3000           | 3000           | 3 000                  |
| No toilet provisions                                              |                |                |                |                        |
| Below Minimum Service Level sub-total                             | 8 530          | 8 614          | 8 700          | 8 700                  |
| Below Minimum Service Level Percentage                            | 20.7%          | 18.8%          | 18.4%          | 12.1%                  |
| <b>Total households</b>                                           | <b>41 238</b>  | <b>45 757</b>  | <b>47 411</b>  | <b>47 411</b>          |
| <b>*Total number of households including informal settlements</b> |                |                |                | <b>T 3.2.2</b>         |

# Chapter 3

**Table 26: Households – Sanitation Service Delivery Levels below the minimum**

| Households - Sanitation Service Delivery Levels below the minimum |         |         |         |                 |                 |         |
|-------------------------------------------------------------------|---------|---------|---------|-----------------|-----------------|---------|
| Description                                                       | 2009/10 | 2010/11 | 2011/12 | 2012/13         |                 |         |
|                                                                   | Actual  | Actual  | Actual  | Original Budget | Adjusted Budget | Actual  |
|                                                                   | No.     | No.     | No.     | No.             | No.             | No.     |
| <b>Formal Settlements</b>                                         |         |         |         |                 |                 |         |
| Total households                                                  | 32 990  | 38 435  | 40 773  |                 |                 | 43 773  |
| Households below minimum service level                            | 5530    | 5614    | 5 700   |                 |                 | 2 700   |
| Proportion of households below minimum service level (%)          | 16.8%   | 14.6%   | 13.9%   |                 |                 | 16.21%  |
| <b>Informal Settlements</b>                                       |         |         |         |                 |                 |         |
| Total households                                                  | 8 248   | 7 322   | 6 638   |                 |                 | 6 638   |
| Households below minimum service level                            | 3000    | 3000    | 3 000   |                 |                 | 3 000   |
| Proportion of households below minimum service level (%)          | 36.4%   | 40.9%   | 45.2%   |                 |                 | 45.2%   |
|                                                                   |         |         |         |                 |                 | T 3.2.3 |

# Chapter 3

Table 27: Sanitation Service Policy Objectives taken from IDP/SDBIP

| Key Performance indicators                                                            | Baseline: 2011/12 | Annual target: 2012/13                                                                               | Actual performance: 30 June 2013                                | Reasons for non- or under-performance                       | Corrective measures taken or to be taken                                                                        |
|---------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| % HHs with access to decent sanitation (stand connection)                             | 75%               | 86.5%<br>Amelia – 3 000 stands, Gortin – 1 400 stands (reducing backlog to 5 057 residential stands) | <b>Target Exceeded</b><br><b>Amelia performance 90% of 4400</b> | Gortin phase 4 and Metsimaholo ext 6 are on tender stage    | Amelia target accomplished for Q2; Gortin project to be shifted to 2013/14 due to late approval of MIG business |
| No. of households provided with new stand connections                                 | 1000              | 4 400 stands to be completed                                                                         | <b>Target Exceeded</b><br><b>Amelia performance 90%, of</b>     | Awaiting Human Settlement funds for Gortin house connection | Gortin project to be shifted to 2013/14 due to late approval of MIG business                                    |
| % of bulk sewer infrastructure maintained as per approved maintenance plan and budget | 100%              | 100%                                                                                                 | <b>Target Achieved</b><br><b>100%</b>                           | Not applicable.                                             | Not applicable.                                                                                                 |
| % of reported sewer blockages attended to within 48 hours                             | 90%               | 91%                                                                                                  | <b>Target Exceeded</b><br><b>95%</b>                            | Not applicable.                                             | Not applicable.                                                                                                 |

# Chapter 3

|                                                               |       |     |                                                                        |                                    |                                                                      |
|---------------------------------------------------------------|-------|-----|------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------------|
| % compliance with the green drop quality accreditation system | 65%   | 90% | Target not Achieved<br>62% only on risk management assessed in 2011/12 | Awaiting DWA for assessment report | Reporting will be revisited. Results to be released in May/June 2013 |
|                                                               | 65.5% |     |                                                                        |                                    |                                                                      |



# Chapter 3

**Table 28: Employees – Sanitation Services**

| Employees: Sanitation Services |           |         |           |                                  |                                   |
|--------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                      | 2011/12   | 2012/13 |           |                                  |                                   |
|                                | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                          | 0         | 0       | 0         | 0                                | 0                                 |
| 4 - 6                          | 3         | 4       | 3         | 1                                | 25                                |
| 7 - 9                          | 3         | 3       | 3         | 0                                | 0                                 |
| 10 - 12                        | 5         | 6       | 5         | 1                                | 16                                |
| 13 - 15                        | 8         | 13      | 8         | 5                                | 38                                |
| 16 - 18                        | 19        | 35      | 19        | 16                               | 45                                |
| 19 - 20                        | 0         | 0       | 0         | 0                                | 0                                 |
| Total                          | 38        | 61      | 38        | 23                               | 37                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

**Table 29: Financial Performance – Sanitation Services**

| Financial Performance 2012/13: Sanitation Services |                |                 |                   |               |                    |
|----------------------------------------------------|----------------|-----------------|-------------------|---------------|--------------------|
| R'000                                              |                |                 |                   |               |                    |
| Details                                            | 2011/12        | 2012/13         |                   |               |                    |
|                                                    | Actual         | Original Budget | Adjustment Budget | Actual        | Variance to Budget |
| <b>Total Operational Revenue</b>                   | <b>24 652</b>  | <b>73 114</b>   | <b>73 118</b>     | <b>28 452</b> |                    |
| Expenditure:                                       |                |                 |                   |               |                    |
| Employees                                          | 6 163          | 7 715           | 7 575             | 7 638         |                    |
| Repairs and Maintenance                            | 1 393          | 4 301           | 4 267             | 1 610         |                    |
| Other                                              | 28 480         | 32 781          | 31 457            | 30 837        |                    |
| <b>Total Operational Expenditure</b>               | <b>36 036</b>  | <b>44 797</b>   | <b>43 299</b>     | <b>40 085</b> |                    |
| <b>Net Operational Expenditure</b>                 | <b>-11 384</b> | <b>28 317</b>   | <b>29 819</b>     | <b>11 633</b> |                    |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

**Table 30: Capital Expenditure – Sanitation Services**

| Capital Expenditure 2012/13: Sanitation Services |                                                                                                                                                       |           |                   |                    |                               |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------|--------------------|-------------------------------|
|                                                  | Capital Projects                                                                                                                                      | 2012/13   |                   |                    |                               |
|                                                  |                                                                                                                                                       | Budget    | Adjustment Budget | Actual Expenditure | Variance from original budget |
|                                                  | Total All                                                                                                                                             |           |                   |                    |                               |
|                                                  | Project A: Amelia Sanitation Phase 3                                                                                                                  | 37 000000 |                   | 37 000000          |                               |
|                                                  | Project B                                                                                                                                             |           |                   |                    |                               |
|                                                  | Project C                                                                                                                                             |           |                   |                    |                               |
|                                                  | Project D                                                                                                                                             |           |                   |                    |                               |
|                                                  | <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |           |                   |                    |                               |

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The municipality has well serviced records for sanitation. Currently the predominant sanitation system used is waterborne as 86, 5% are using flushing toilets. Approximately 4500 stands will be supplied with a waterborne system in Gortin over the next two years as capital projects funded by MIG. The same could be said that the Municipality is doing fairly well with room for improvement as we achieved 90% Green Drop status as our first participation on the programme.

T3.2.10

# Chapter 3

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

*Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.*

The Municipality is compelled and mandated in terms of legislation to provide electricity to all consumers in the demarcated Municipal area in a reliable and cost effective manner. The entire electrical system must be installed and maintained according to the requirements of the Occupational Health and Safety Act. With the development of new areas the Municipality applies and receive grants from the Department of Energy for the construction of new electrical networks in order to provide consumers with new electrical connections. The network must be maintained by competent officials and must be supervised by a qualified Responsible Person.

T3.3.1

T 3.3.2

**Table 31: Electricity Service Delivery Levels**

| Description                                   | Households   |              |              |               |
|-----------------------------------------------|--------------|--------------|--------------|---------------|
|                                               | 2009/10      | 2010/11      | 2011/12      | 2012/13       |
|                                               | Actual No.   | Actual No.   | Actual No.   | Actual No.    |
| <b>Energy: (above minimum level)</b>          |              |              |              |               |
| Electricity (at least minimum service level)  |              |              |              |               |
| Electricity - prepaid (minimum service level) |              |              |              |               |
| Minimum Service Level and Above sub-total     | 34 276       | 34 276       | 34 730       | 35 140        |
| Minimum Service Level and Above Percentage    |              |              |              |               |
| <b>Energy: (below minimum level)</b>          |              |              |              |               |
| Electricity (<min.service level)              | N/A          | N/N          | N/A          |               |
| Electricity - prepaid (< min. service level)  |              |              |              |               |
| Other energy sources                          |              |              |              |               |
| Below Minimum Service Level sub-total         | 3 954        | 7 000        | 7 000        | 7 300         |
| Below Minimum Service Level Percentage        |              |              |              |               |
| <b>Total number of households</b>             | <b>38230</b> | <b>41276</b> | <b>41730</b> | <b>42 440</b> |

# Chapter 3

Table 32: Households – Electricity Service Levels below the Minimum

| Households - Electricity Service Delivery Levels below the minimum |         |         |         |               |               |        |
|--------------------------------------------------------------------|---------|---------|---------|---------------|---------------|--------|
| Description                                                        | 2009/10 | 2010/11 | 2011/12 | 2012/13       |               |        |
|                                                                    | Actual  | Actual  | Actual  | Original      | Adjusted      | Actual |
|                                                                    | No.     | No.     | No.     | Budget<br>No. | Budget<br>No. | No.    |
| <b>Formal Settlements</b>                                          |         |         |         |               |               |        |
| Total households                                                   |         |         |         |               |               |        |
| Households below minimum service level                             | 3 954   | 3 954   | 3 954   | 3 000 000     | 0             | 410    |
| Proportion of households below minimum service level               |         |         |         |               |               |        |
| <b>Informal Settlements</b>                                        |         |         |         |               |               |        |
| Total households                                                   |         |         |         |               |               |        |
| Households below minimum service level                             |         |         |         |               |               |        |
| Proportion of households below minimum service level               |         |         |         |               |               |        |
| T 3.3.4                                                            |         |         |         |               |               |        |

# Chapter 3

Table 33: Electricity Service Policy Objectives taken from IDP/SDBIP

| Key Performance indicators                                                                  | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013                        | Reasons for non- or under-performance                                     | Corrective measures taken or to be taken                                            |
|---------------------------------------------------------------------------------------------|-------------------|------------------------|---------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| of HHs with access to basic electricity in formal areas                                     | 80.4%             | 80.4%                  | Focus on bulk infrastructure for 2013/14 financial year | Not Applicable                                                            | Not Applicable                                                                      |
| No. of HHs provided with new metered stand connections in formal areas                      | 0                 | 0%                     | 5 consumer applications received attached               | Connections executed                                                      | Not applicable                                                                      |
| No. of new high mast lights installed                                                       | 25                | 0                      | Not applicable                                          | Not applicable                                                            | Not applicable                                                                      |
| No. of sub-stations upgraded/erected                                                        | 0                 | 1                      | 30% completed                                           | Shortage of fund & funds withheld by NT; No funds                         | Application submitted to DoE & NT; Project                                          |
| No. of kms of bulk supply line constructed in Leirtrim                                      | 0                 | 0 (Revised to 3km)     | 30% completed                                           | Shortage of fund & funds withheld by NT; No funds allocated in DorA by NT | Application submitted to DoE & NT; Project completion date to be revised; Political |
| % of bulk electricity infrastructure maintained as per approved maintenance plan and budget | 100%              | 100%                   | Target not Achieved<br>21 Substations maintained        | Shortage of staff                                                         | Appointment of additional staff                                                     |

# Chapter 3

|                                                                                |                      |                   |                            |                                      |                                                                                    |
|--------------------------------------------------------------------------------|----------------------|-------------------|----------------------------|--------------------------------------|------------------------------------------------------------------------------------|
| % of electricity master plan developed and approved                            | 50%<br>50%           | 100%              | 0%                         | Tender evaluation report outstanding | Tender to be re-advertised and appoint of service provider by next financial year. |
| P3.9 % reduction in electricity distribution losses                            | 4%                   | 8% <sup>9</sup>   | 13.72% Target not Achieved | Cleaning of data                     | Investigation by FS and report                                                     |
| P3.10 Electricity outages (group medium voltage) minimised by 10% annually     | No actuals available | 10%               | Target Achieved<br>10%     | Shortage of equipment and material   | Equipment has been purchased and material ordered                                  |
| P3.11 Reduced response time to reported outages (power failures) by households | 2hrs                 | 2hrs              | Target Achieved<br>2hrs    | Register not up-to- date             | Register to be compiled Feb 2013                                                   |
| P3.12 Reduced response time to reported outages by distribution                | 2hrs                 | 24hrs             | Target Achieved<br>24hrs   | Register not up-to- date             | Register to be compiled Feb 2013                                                   |
| P3.13 % of high masts lights maintained                                        | 80%                  | 90% <sup>10</sup> | Target not Achieved<br>70% | Shortage of equipment and material   | Equipment has been purchased and material ordered                                  |
| P3.14 % of street lights maintained                                            | 80%                  | 90% <sup>11</sup> | Target not Achieved<br>80% | Shortage of equipment and material   | Equipment has been purchased and material ordered                                  |

<sup>9</sup> Distribution losses to be maintained at current levels

<sup>10</sup> Current levels maintained due to capacity constraints

<sup>11</sup> Current levels maintained due to capacity constraints

# Chapter 3

**Table 34: Employees – Electricity Services**

| Employees: Electricity Services |           |         |           |                                  |                                   |
|---------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                       | 2011/12   | 2012/13 |           |                                  |                                   |
|                                 | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                 | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                           | 2         | 2       | 2         | 0                                | 0                                 |
| 4 - 6                           | 5         | 10      | 5         | 5                                | 50                                |
| 7 - 9                           | 9         | 12      | 8         | 4                                | 25                                |
| 10 - 12                         | 3         | 7       | 2         | 5                                | 70                                |
| 13 - 15                         | 8         | 12      | 8         | 4                                | 25                                |
| 16 - 18                         | 14        | 18      | 14        | 4                                | 88                                |
| 19 - 20                         | 0         | 0       | 0         | 0                                | 0                                 |
| Total                           | 41        | 61      | 39        | 22                               | 36                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

**Table 35: Financial Performance – Electricity Services**

| Financial Performance 2012/13: Electricity Services |                  |                  |                   |                  |                    |
|-----------------------------------------------------|------------------|------------------|-------------------|------------------|--------------------|
| R'000                                               |                  |                  |                   |                  |                    |
| Details                                             | 2011/12          | 2012/13          |                   |                  |                    |
|                                                     | Actual           | Original Budget  | Adjustment Budget | Actual           | Variance to Budget |
| <b>Total Operational Revenue</b>                    | <b>160 965</b>   | <b>239 270</b>   | <b>239 320</b>    | <b>201 889</b>   | <b>16%</b>         |
| Expenditure:                                        |                  |                  |                   |                  |                    |
| Employees                                           | (10 385)         | (15 285)         | (11 863)          | (12 079)         | 21%                |
| Repairs and Maintenance                             | (3 893)          | (6 664)          | (6 971)           | (2 666)          | 60%                |
| Other                                               | (163 334)        | (208 041)        | (209 679)         | (203 343)        | 2%                 |
| <b>Total Operational Expenditure</b>                | <b>(177 612)</b> | <b>(229 990)</b> | <b>(228 513)</b>  | <b>(219 088)</b> | <b>5%</b>          |
| <b>Net Operational Expenditure</b>                  | <b>(16 647)</b>  | <b>9 280</b>     | <b>10 807</b>     | <b>(17 199)</b>  | <b>85%</b>         |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8



# Chapter 3

**Table 36: Capital Expenditure – Electricity Services**

| Capital Expenditure 2012/13: Electricity Services                                                                                               |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |         |                   |                    |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |

R' 000

T 3.2.9

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The service delivery of the Department Electrical and Mechanical Engineering is hampered by the shortage of staff, vehicles and equipment and the time delay in procuring material. Limited stock to none is carried in the Division Stores and during emergencies and breakdowns material must be sourced from willing suppliers to assist the Department. In general the Department is continuing to provide an effective service to the community despite problems and will try and continue to strive to improve the service delivery.

T3.3.9

# Chapter 3

## 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

### INTRODUCTION TO WASTE MANAGEMENT

The Division Waste Management implements its strategic plan, service delivery and integrated waste management plan to adhere and align with the National Standard for weekly refuse collection.

The actions taken include inter-alia:

- Once a week refuse removal for ±50 000 households
- Six [6] day business refuse removal to ±1000 businesses
- Five [5] day refuse removal from both Industries and Hostels.

Some of the challenges faced during 2012/13 included the shortage of trucks, trailers, tractors and equipment' shortage of personnel, the mushrooming of informal settlements, illegal dumping, non-payment for services rendered and excessive overtime payments.

The major successes achieved during the financial year under review include the rendering of constant refuse removal services, receiving two compactor refuse removal trucks and receiving of personal protective equipment in time.

Progress made with waste disposal steps initiated for the rehabilitation of the existing landfill site (which is full to capacity) and the establishment of a new landfill site (funding for this remains insufficient). An office for gate controllers was erected, however, pickers remained a threat. In regard to street cleaning, the shortage of staff impacts negatively on the municipality to render an effective street cleaning service including public ablution facilities. Lastly, the municipality does not engage in any recycling activities, which is currently done on an informal basis by private companies.

The municipality's top service delivery priorities include: Providing access to refuse removal services to all households in formal and informal areas, the eradication of illegal dumping' effective management of landfill sites and ensuring sufficient capacity (personnel, vehicles and equipment) to render an effective and efficient waste management service.

Measures taken to improve performance include sourcing personnel through the EPWP and engaging private contractors to augment internal capacity. Clean-up campaigns in conjunction with wards are done on a sporadic basis to remove illegal dumping.

The Municipality has an indigent policy to assist the poverty stricken. Where the Municipality cannot gain entry access, the affected communities are urged and requested to dump in one central point. The municipality then remove that heap of refuse on quarterly basis.

T3.4.1

# Chapter 3

**Table 37: Waste Management Service Delivery Levels**

| Waste Management Service Delivery Levels          |               |               |               |                       |
|---------------------------------------------------|---------------|---------------|---------------|-----------------------|
| Description                                       | 2009/10       | 2010/11       | 2011/12       | Households<br>2012/13 |
|                                                   | Actual        | Actual        | Actual        | Actual                |
|                                                   | No.           | No.           | No.           | No.                   |
| <b>Solid Waste Removal: (Minimum level)</b>       |               |               |               |                       |
| Removed at least once a week                      | 37 200        | 38 800        | 40 000        | 40 000                |
| Minimum Service Level and Above sub-total         | <b>37 200</b> | <b>38 800</b> | <b>40 000</b> | <b>40 000</b>         |
| Minimum Service Level and Above percentage        |               |               |               |                       |
| <b>Solid Waste Removal: (Below minimum level)</b> |               |               |               |                       |
| Removed less frequently than once a week          |               |               |               |                       |
| Using communal refuse dump                        |               |               |               |                       |
| Using own refuse dump                             |               |               |               |                       |
| Other rubbish disposal                            |               |               |               |                       |
| No rubbish disposal                               |               |               |               |                       |
| Below Minimum Service Level sub-total             | 6500          | 8000          | 10 500        | 10 500                |
| Below Minimum Service Level percentage            |               |               |               |                       |
| <b>Total number of households</b>                 | <b>43 700</b> | <b>46 800</b> | <b>50 500</b> | <b>50 500</b>         |
|                                                   |               |               |               | T 3.4.2               |

**Table 38: Households –Waste Management Service Delivery Levels below the Minimum**

| Households - Waste Management Service Delivery Levels below the minimum |         |         |         |                       |                 |         |
|-------------------------------------------------------------------------|---------|---------|---------|-----------------------|-----------------|---------|
| Description                                                             | 2009/10 | 2010/11 | 2011/12 | Households<br>2012/13 |                 |         |
|                                                                         | Actual  | Actual  | Actual  | Original Budget       | Adjusted Budget | Actual  |
|                                                                         | No.     | No.     | No.     | No.                   | No.             | No.     |
| <b>Formal Settlements</b>                                               |         |         |         |                       |                 |         |
| Total households                                                        | 43 700  | 46 800  | 50 500  |                       |                 |         |
| Households below minimum service level                                  | 6 500   | 8 000   | 10 500  |                       |                 |         |
| Proportion of households below minimum service level                    |         |         |         |                       |                 |         |
| <b>Informal Settlements</b>                                             |         |         |         |                       |                 |         |
| Total households                                                        |         |         |         |                       |                 |         |
| Households to below minimum service level                               |         |         |         |                       |                 |         |
| Proportion of households to below minimum service level                 |         |         |         |                       |                 |         |
|                                                                         |         |         |         |                       |                 | T 3.4.3 |

# Chapter 3

Table 39: Waste Management Service Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                                                | Baseline: 2011/12 | Annual target: 2012/13                | Actual performance: 30 June 2013 | Reasons for non- or under-performance                  | Corrective measures taken or to be taken |
|-------------------------------------------------------------------------------------------|-------------------|---------------------------------------|----------------------------------|--------------------------------------------------------|------------------------------------------|
| 11.1 Number of households having access to basic refuse removal services                  | 45 000            | 46 620                                | Target Achieved                  | Not Applicable                                         | Not Applicable                           |
| 11.2 Number of business premises receiving refuse                                         | 100%              | 1600                                  | Target Achieved                  | Not Applicable                                         | Not Applicable                           |
| 11.3 % of Integrated Waste Management Plan (IWMP) developed and submitted                 | 0%                | 100%                                  | Target Achieved                  | Not Applicable                                         | Not Applicable                           |
| 11.4 % of approved Integrated Waste Management Plan                                       | 0%                | 50% (Revised to 75%)                  | Target not Achieved              | The IWMP only approved by Council on the 31 June 2013. | To ensure implementation of the          |
| 11.5 % of functional waste management information system implemented (NKPI: <sup>1)</sup> | 0%                | 10% <sup>12</sup> (Feasibility study) | Target Achieved                  | Not Applicable                                         | Not Applicable                           |

<sup>12</sup>Feasibility study and benchmarking exercise to be completed by the end of 2012/13 financial year

# Chapter 3

| Key Performance Indicators                                                                        | Baseline: 2011/12 | Annual target: 2012/13              | Actual performance: 30 June 2013 | Reasons for non- or under-performance                      | Corrective measures taken or to be taken                                                     |
|---------------------------------------------------------------------------------------------------|-------------------|-------------------------------------|----------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 11.6 Number of waste management education and awareness programmes implemented                    | 0%                | 4 per annum                         | <b>Target not Achieved</b>       | Lack of capacity and funding                               | To engage with District Municipality to secure funding by end of Sept. 2013.                 |
| 11.7 % establishment of new landfill site                                                         | 0%                | 30% (Revised to 75% <sup>13</sup> ) | <b>Target not Achieved</b>       | Delay in appointing service Provider due to lack of funds. | To secure funding by end of Sept. 2013.                                                      |
| 11.8 % effective management of existing landfill sites according to applicable legislation (NEMA) | 0%                | 80%                                 | <b>Target not Achieved</b>       | Delay by SCM to advertise a tender                         | To fast track a process of advertising and appointing service Provider by end of Sept. 2013. |

<sup>13</sup>Based on assumption that EIA tender will be re-advertised and service provider appointed in 2011/12 financial year

# Chapter 3

**Table 40: Employees – Waste Management Services**

| Employees: Waste Management Services |           |         |           |                                  |                                   |
|--------------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                            | 2011/12   | 2012/13 |           |                                  |                                   |
|                                      | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                      | No.       | No.     | No.       | No.                              | %                                 |
| 0 – 3                                | 2         | 2       | 2         | 0                                | 0                                 |
| 4 – 6                                | 0         | 5       | 5         | 0                                | 0                                 |
| 7 – 9                                | 4         | 2       | 1         | 1                                | 50                                |
| 10 - 12                              | 0         | 0       | 0         | 0                                | 0                                 |
| 13 - 15                              | 14        | 21      | 16        | 5                                | 23                                |
| 16 - 18                              | 95        | 150     | 88        | 62                               | 41                                |
| 19 - 20                              | 0         | 0       | 0         | 0                                | 0                                 |
| Total                                | 115       | 180     | 112       | 68                               | 37                                |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.2.7

**Table 41: Financial Performance – Waste Management Services**

| Financial Performance 2012/13: : Waste Management Services |          |                 |                   |        |                    |
|------------------------------------------------------------|----------|-----------------|-------------------|--------|--------------------|
| Details                                                    | 2011/12  | 2012/13         |                   |        |                    |
|                                                            | Actual   | Original Budget | Adjustment Budget | Actual | Variance to Budget |
|                                                            |          |                 |                   |        |                    |
| <b>Total Operational Revenue</b>                           | 52 073   | 53 273          | 45 038            | -14%   | 52 073             |
| Expenditure:                                               |          |                 |                   |        |                    |
| Employees                                                  | (16 165) | (15 338)        | (16 170)          | 0%     | (16 165)           |
| Repairs and Maintenance                                    | (2 626)  | (2 526)         | (1 459)           | -44%   | (2 626)            |
| Other                                                      | (23 999) | (26 445)        | (24 736)          | 3.0%   | (23 999)           |
| <b>Total Operational Expenditure</b>                       | (42 790) | (44 309)        | (42 365)          | -1%    | (42 790)           |
| <b>Net Operational Expenditure</b>                         | 9 283    | 8 964           | 2 673             | -71%   | 9 283              |

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

T 3.2.8

# Chapter 3

**Table 42: Capital Expenditure – Waste Management Services**

| Capital Expenditure 2012/13: : Waste Management Services                                                                                        |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |         |                   |                    |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |

R' 000

T 3.2.9

## COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

No capital project budgeted for Waste Management in 2012/13

T3.4.10



# Chapter 3

## 3.5 HOUSING

### INTRODUCTION TO HOUSING

The Housing Development Agency has been mandated by the Minister to assist Metsimaholo as one of the three target municipalities in the Free State Province to accelerate sustainable communities through land assembly, building and property acquisitions.

Planning Objectives to eradicate the backlogs are:

- In cooperation with the Housing Development Agency to acquire suitable land in Refengkgotso (Deneysville) for accommodation of the general public and human-settlement purposes and to provide for further community needs and development opportunities.
- To secure development nodal points in the SDF for High Density Housing
- To provide planned erven by July 2013 in the following areas to accommodate informal settlements and provide for future needs and to accommodate further community needs:
  - (1) Mooiplaats, Refengkgotso – expansion to the west with 2 000 erven
  - (2) Moodraai, Zamdela – mixed development expansion to the south west with 3 000 erven
- To ensure basic services installations on erven newly created
- To ensure human re-settlement (residents earning less than R3 500 pm) as soon as basic services (water) has been installed
- To replace temporary structures with permanent housing structures. (3 950 subsidies were allocated by the Province)
- To complete the townhouse concept houses at Hostel 2 with 60 – 70 RDP houses
- To replace existing Hostel 3, and 4 rental units with Town House Concept Houses / Community Residential Units (CRU's). Bids has been invited by Provincial Government for suitably Qualified contractors to be appointed by January 2013 to construct the first 102 (phase 1) units at Erf 4870, Zamdela during 2013. The phase 1 units are to be completed within 18 months (Aug 2014).

T3.5.1

**Table 43: Percentage of Households with Access to Basic Housing**

| Percentage of households with access to basic housing |                                                                    |                                  |                                         |
|-------------------------------------------------------|--------------------------------------------------------------------|----------------------------------|-----------------------------------------|
| Year end                                              | Total households<br>(including in formal and informal settlements) | Households in formal settlements | Percentage of HHs in formal settlements |
| 2009/10                                               | 41 238                                                             | 32 990                           | 16%                                     |
| 2010/11                                               | 45 757                                                             | 38 435                           | 15,8%                                   |
| 2011/12                                               | 47 411                                                             | 40 773                           | 15,9%                                   |
| 2012/13                                               | 47 411                                                             | 39 878                           | 15,8%                                   |
| T 3.5.2                                               |                                                                    |                                  |                                         |

# Chapter 3

Table 44: Housing Service Policy Objectives taken from IDP/SDBIP

| Key Performance indicators                                          | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013                                                | Reasons for non- or under-performance                                         | Corrective measures taken or to be taken |
|---------------------------------------------------------------------|-------------------|------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------|
| 5.3 % of housing sector plan developed and submitted to Council for | 100%              | 100%                   | 100%<br>Draft completed                                                         | The Human settlement plan served in all committees and is                     | Council to adopt the plan                |
| 5.4 % housing accreditation status obtained (Level 2)               | 40%               | 100%<br>(Level 2)      | Target achieved<br>Part of the submission to council on the housing sector plan | Council to approve the report and to declare its status on accreditation      |                                          |
| 5.5 No. of informal areas formalised                                | 0                 | 1                      | Target not Achieved                                                             | Mashalaba Consultants confirmed that an approval has been received from CNGTA |                                          |
| 5.6 No. of hectares of land released for low cost housing           | 0                 | 30ha <sup>14</sup>     | Target Achieved and Exceeded<br><b>11 plots purchased</b>                       | Not Applicable                                                                | Not Applicable.                          |

<sup>14</sup>7 plots of 4 400m<sup>2</sup> = 30 hectares were purchased and is expected to be transferred to MLM by the end of the first quarter

# Chapter 3

| Key Performance indicators                                                                               | Baseline:<br>2011/12 | Annual target: 2012/13 | Actual performance:<br>30 June 2013 | Reasons for non- or under-<br>performance                                                                                                                                      | Corrective measures taken<br>or to be taken                                                                                                |
|----------------------------------------------------------------------------------------------------------|----------------------|------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 6.1 % of spatial development framework (SDF) developed and approved (including annual reviews)           | 0%                   | 100%                   | <b>Target achieved</b>              | Not applicable.                                                                                                                                                                | Not applicable.                                                                                                                            |
| 6.2 % of Integrated Land Use Management Scheme (ILUMS) developed and approved (including annual reviews) | 0%                   | 100%                   | <b>Target not achieved</b>          | <p>Process plan has been approved in 2007</p> <p>Final Draft Land Use Management Scheme developed by the Consultant appointed</p> <p>The consultant presented to the MAYCO</p> | <p>Submission to be made to council and the Province</p> <p>Await the National (Land use management Scheme) legislation to be approved</p> |

# Chapter 3

| Key Performance indicators                                                                                                                                                                   | Baseline:<br>2011/12 | Annual target: 2012/13  | Actual performance:<br>30 June 2013 | Reasons for non- or under-<br>performance | Corrective measures taken<br>or to be taken |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|-------------------------------------|-------------------------------------------|---------------------------------------------|
| 6.3 % of re-zonings, sub-divisions & consolidation applications evaluated and MLM comments                                                                                                   | 30%                  | 70%<br>(Revised to 95%) | Target achieved<br>(2)              | Not applicable.                           | Not applicable.                             |
| 6.4 % of building plans approved within 30 days of receipt of <u>fully</u> completed applications                                                                                            | 20%                  | 75% (revised to 95%)    | Target achieved<br>(95)             | Not applicable.                           | Not applicable.                             |
| 6.5 % of approved building plan inspections conducted as per industry standards<br>( <i>Inspection 1: foundation level; Inspection 2: wall plate level; Inspection 3- final inspection</i> ) | 50%                  | 70%                     | Target achieved<br>(242)            | Not applicable.                           | Not applicable.                             |

<sup>15</sup>Director exercises delegated powers within the approved SDF framework

# Chapter 3

Table 45: Employees – Housing Services

| Employees: Housing Services |           |         |           |                                  |                                   |
|-----------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                   | 2011/12   | 2012/13 |           |                                  |                                   |
|                             | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                             | No.       | No.     | No.       | No.                              | %                                 |
| 0 – 3                       | 1         | 2       | 1         | 1                                | 50                                |
| 4 – 6                       | 2         | 17      | 11        | 6                                | 35                                |
| 7 – 9                       | 14        | 7       | 6         | 1                                | 14                                |
| 10 - 12                     | 0         | 2       | 0         | 0                                | 0                                 |
| 13 - 15                     | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                     | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                     | 0         | 0       | 0         | 0                                | 0                                 |
| Total                       | 17        | 28      | 18        | 8                                | 28                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 46: Financial Performance – Housing Services

| Financial Performance 2012/13: : Housing Services |               |                 |                   |                |                    |
|---------------------------------------------------|---------------|-----------------|-------------------|----------------|--------------------|
| R'000                                             |               |                 |                   |                |                    |
| Details                                           | 2011/12       | 2012/13         |                   |                |                    |
|                                                   | Actual        | Original Budget | Adjustment Budget | Actual         | Variance to Budget |
| <b>Total Operational Revenue</b>                  | 3 849         | 12 415          | 12 415            | 3 748          | -70%               |
| Expenditure:                                      |               |                 |                   |                |                    |
| Employees                                         | -1 986        | (5 377)         | (5 392)           | (6 155)        | 14%                |
| Repairs and Maintenance                           | -11           | (27)            | (27)              | (5)            | -81%               |
| Other                                             | -1 078        | (4 379)         | (4 898)           | (2 982)        | -32%               |
| <b>Total Operational Expenditure</b>              | <b>-3 075</b> | <b>(10 256)</b> | <b>(10 317)</b>   | <b>(9 142)</b> | <b>-11%</b>        |
| <b>Net Operational Expenditure</b>                | <b>774</b>    | <b>2 159</b>    | <b>2 098</b>      | <b>(5 394)</b> | <b>150%</b>        |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

# Chapter 3

Table 47: Capital Expenditure – Housing Services

| Capital Expenditure 2012/13: : Housing Services                                                                                                 |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |         |                   |                    |                               |                     |
| <b>NB: Competence of Provincial/National Dept.</b>                                                                                              |         |                   |                    |                               |                     |
|                                                                                                                                                 |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |

T 3.2.9

## COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

There was a significant improvement regarding the progress made in concluding the lease agreements on the properties managed by the department as opposed to the previous years. 3950 subsidies were allocated however 1899 are still outstanding.

The Directorate Economic Development and Planning experienced serious and increasing challenges on its capacity since its establishment in 2003 and during the financial year under review. The existing lack in managerial staff (Managers in all Divisions) and key positions that became vacant created a huge vacuum and challenges for remaining staff. Capacitating the Division Housing and Property Management is critical to an application to Provincial Government for accreditation of the Division to level 2 in 2014 and level 3 in 2016.

T3.5.7

# Chapter 3

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic services are provided to indigent households according to the municipality's indigent policy. This includes 10kl of water, 50kWh electricity, R50 subsidy on assessment rates, free sanitation and refuse removal per household per month. A total number of 8 530 households were recorded in the indigent register at the end of the 2012/13 financial year. This shows a decline of 20% which came as a result of a verification process

T3.6.1

Table 48 FREE BASIC SERVICES

|                                                   | 2010/11              | 2011/12              | 2012/13              |
|---------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Free water:</b>                                |                      |                      |                      |
| - all residents                                   | 6kl                  | 6kl                  | 6kl                  |
| - indigent residents                              | 10kl                 | 10kl                 | 10kl                 |
| <b>Free Electricity:</b>                          |                      |                      |                      |
| - all residents                                   | 50kWh                | 50kWh                | 50kWh                |
| - non Municipal supply                            | Agreement with Eskom | Agreement with Eskom | Agreement with Eskom |
| <b>Sewerage</b>                                   |                      |                      |                      |
| Basic sewerage – all residents                    | Free                 | Free                 | Free                 |
| Additional sewerage - indigents                   | Free                 | Free                 | Free                 |
| <b>Free Refuse removal - indigents</b>            | Free                 | Free                 | Free                 |
| <b>Indigent subsidy (property rates)</b>          | R50.00               | R50.00               | R50.00               |
| <b>Income level for registration of indigents</b> | R2 400.00 per month  | R 2500.00 per month  | R 2750.00 per month  |
| <b>Number of registered indigents</b>             | 8 371                | 10 553 <sup>#</sup>  | 8 530 <sup>#</sup>   |

# There were 304 pending indigent applications as at 30 June 2013.

The number of registered indigents decreased by 2 023 after a verification process or 20%

T3.6.2

# Chapter 3

Table 49: Cost to Municipality of FBS Delivered

| Financial Performance 2012/13: Cost to Municipality of Free Basic Services Delivered |         |         |                   |        |                    |
|--------------------------------------------------------------------------------------|---------|---------|-------------------|--------|--------------------|
| Services Delivered                                                                   | 2011/12 | 2012/13 |                   |        |                    |
|                                                                                      | Actual  | Budget  | Adjustment Budget | Actual | Variance to Budget |
| Water                                                                                | 22 324  | 29 716  | 29 716            | 27 090 | (9)                |
| Waste Water (Sanitation)                                                             | 4 805   | 6 997   | 6 997             | 7 318  | 5                  |
| Electricity                                                                          | 13 429  | 10 160  | 10 160            | 13 114 | 29                 |
| Waste Management (Solid Waste)                                                       | 6 794   | 11 584  | 11 584            | 11 445 | (1)                |
| Total                                                                                | 47 352  | 58 457  | 58 457            | 58 967 | 1                  |
|                                                                                      |         |         |                   |        | T 3.6.4            |

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Free basic services are provided to indigent households according to the municipality's indigent policy. This includes 10kl of water, 50kWh electricity, R50 subsidy on assessment rates, free sanitation and refuse removal per household per month. A total number of 8 530 households were recorded in the indigent register at the end of the 2012/13 financial year.



# Chapter 3

Table50: Free Basic Services Policy Objectives taken from IDP/SDBIP

| Key Performance indicators                                          | Baseline: 2011/12 | Annual target: 2012/13                | Actual performance: 30 June 2013              | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|---------------------------------------------------------------------|-------------------|---------------------------------------|-----------------------------------------------|---------------------------------------|------------------------------------------|
| 10.1 % of indigent register compiled and updated annually           | 47%               | 100% (Adjusted to 83% <sup>1a</sup> ) | 100%<br>Target Achieved                       | Not applicable.                       | Not applicable.                          |
| 10.2 Number of households on indigent register                      | 8 433             | 12 000 (adjusted to 10 000)           | Target Exceeded<br>8 530 indigents registered | Not applicable.                       | Not applicable.                          |
| 10.3 % of registered indigents that have access to free basic water | 100%              | 100%                                  | 100%<br>Target Achieved                       | Not applicable.                       | Not applicable.                          |

<sup>1a</sup>Total of 10 000 indigents to be registered as a percentage of 5-year target of 12 000

# Chapter 3

| Key Performance indicators                                                   | Baseline:<br>2011/12 | Annual target: 2012/13 | Actual performance:<br>30 June 2013 | Reasons for non- or under-<br>performance | Corrective measures taken or to<br>be taken |
|------------------------------------------------------------------------------|----------------------|------------------------|-------------------------------------|-------------------------------------------|---------------------------------------------|
| 10.4 % of registered indigents that have Access to free basic electricity    | 100%                 | 100%                   | 100%<br>Target Achieved             | Not applicable.                           | Not applicable.                             |
| 10.5 % of registered indigents that have access to free basic sanitation     | 100%                 | 100%                   | 100%<br>Target Achieved             | Not applicable.                           | Not applicable.                             |
| 10.6 % of registered indigents that have access to free basic refuse removal | 100%                 | 100%                   | 100%<br>Target Achieved             | Not applicable.                           | Not applicable.                             |

# Chapter 3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Free basic services are provided to indigent households according to the municipality's indigent policy. This includes 10kl of water, 50kWh electricity, R50 subsidy on assessment rates, free sanitation and refuse removal per household per month. A total number of 8 530 (compared to 10 553 of 2011/12) households were recorded in the indigent register at the end of the 2012/13 financial year.

T3.6.6

DRAFT

# Chapter 3

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

### INTRODUCTION TO ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

T3.7

## 3.7 ROADS

### INTRODUCTION TO ROADS

The road network, as is the norm, is the mostly neglected for it being very expensive in maintenance. Potholes are fixed but the road infrastructure needs overall bitumen enrichment. Master and sector plans as well as a pavement management system needs to be done. Funds allowing, the plans and system would be developed within the next financial year 2013/14.

T3.7.1

Table 51: Gravel Road Infrastructure

| Gravel Road Infrastructure |                    |                              |                              |                                              |
|----------------------------|--------------------|------------------------------|------------------------------|----------------------------------------------|
|                            | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Kilometers<br>Gravel roads graded/maintained |
| 2009/10                    | 255                | 0                            | 0                            | 80                                           |
| 2010/11                    | 255                | 4                            | 0                            | 120                                          |
| 2011/12                    | 322                | 0                            | 0                            | 135                                          |
| 2012/13                    | 322                | 0                            | 0                            | 135                                          |
|                            |                    |                              |                              | T 3.7.2                                      |

# Chapter 3

**Table 52: Tarred Road Infrastructure**

| Tarred Road Infrastructure |                    |               |                              |                               | Kilometers           |
|----------------------------|--------------------|---------------|------------------------------|-------------------------------|----------------------|
|                            | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Tar roads maintained |
| 2009/10                    | 364                | 0             | 0                            | 0                             | 0                    |
| 2010/11                    | 364                | 0             | 2                            | 8                             | 20 km (potholes)     |
| 2011/12                    | 364                | 0             | 3                            | 10                            | 30km (potholes)      |
| 2012/13                    | 371                | 0             | 3                            | 7,4                           | 30km(potholes)       |
|                            |                    |               |                              |                               | T 3.7.3              |

**Table 53: Cost of Construction/Maintenance**

| Cost of Construction/Maintenance |        |              |            |     |           | R' 000     |
|----------------------------------|--------|--------------|------------|-----|-----------|------------|
|                                  | Gravel |              |            | Tar |           |            |
|                                  | New    | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| 2009/10                          | 0      | 0            | 3600       | 0   | 3000      | 2900       |
| 2010/11                          | 1900   | 0            | 6000       | 0   | 6200      | 4800       |
| 2011/12                          | 0      | 0            | 9000       | 0   | 0         | 4800       |
| 2012/13                          |        |              |            |     |           |            |
|                                  |        |              |            |     |           | T 3.7.4    |

|  |  |  |  |  |  |        |
|--|--|--|--|--|--|--------|
|  |  |  |  |  |  | T3.7.5 |
|--|--|--|--|--|--|--------|

# Chapter 3

Table 54: Roads Services Policy Objectives taken from IDP/SDBIP

| Key Performance indicators                                                              | Baseline: 2011/12      | Annual target: 2012/13   | Actual performance: 30 June 2013                        | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|-----------------------------------------------------------------------------------------|------------------------|--------------------------|---------------------------------------------------------|---------------------------------------|------------------------------------------|
| P4.1 Total m <sup>2</sup> of roads upgraded to surfaced roads (tar/haved) <sup>17</sup> | 42,000 m <sup>2</sup>  | 25,000 m <sup>2</sup>    | Target Achieved                                         | Not applicable.                       | Not applicable.                          |
| P4.2 Total m <sup>2</sup> of un-engineered roads (dirt roads) graded                    | 250,000 m <sup>2</sup> | 315,000 m <sup>218</sup> | Target Achieved<br>150 000m <sup>2</sup> gravelled road | Not applicable.                       | Not applicable.                          |
| P4.3 % of roads and storm water infrastructure                                          | 100%                   | 100%                     | Target Achieved                                         | Not applicable.                       | Not applicable.                          |
| P4.4 Total kms of new storm water channels erected                                      | 6km                    | 7.4kms <sup>19</sup>     | Target not Achieved<br>0                                | No funding available                  | MIG funding to be sourced                |

<sup>17</sup> Indicator changed from km to m<sup>2</sup>

<sup>18</sup> Mainly in D/Ville, O/Ville & Sasiburg areas

<sup>19</sup> Mainly in Refengkgotso&Zamdela areas

# Chapter 3

|                                                                                        |     |                    |                           |                                                            |                                                                                     |
|----------------------------------------------------------------------------------------|-----|--------------------|---------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------|
| P4.5 Total kms of existing storm water channels upgraded                               | 6km | 10km <sup>20</sup> | Target Exceeded           | Not applicable.                                            | Not applicable.                                                                     |
| P4.6 % of roads and storm water master plan developed and approved                     | 50% | 100%               | Target not Achieved<br>0% | Tender advertised;<br>Tender evaluation report outstanding | Tender to be re-advertised and appoint service provider by 3 <sup>rd</sup> Quarter. |
| P4.7 % of pavement management system developed and approved (including annual reviews) | 0%  | 20%                | On Target<br>0%           | Not applicable.                                            | Not applicable.                                                                     |

<sup>20</sup> Mainly in Refengkgotso & Zamdela areas

# Chapter 3

Table 55: Employees – Roads Services

| Employees: Roads Services |           |         |           |                                  |                                   |
|---------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                 | 2011/12   | 2012/13 |           |                                  |                                   |
|                           | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                           | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                     | 0         | 0       | 0         | 0                                | 0                                 |
| 4 - 6                     | 1         | 2       | 1         | 1                                | 50                                |
| 7 - 9                     | 3         | 3       | 3         | 0                                | 0                                 |
| 10 - 12                   | 3         | 3       | 3         | 0                                | 0                                 |
| 13 - 15                   | 18        | 22      | 18        | 5                                | 22                                |
| 16 - 18                   | 15        | 18      | 15        | 3                                | 16                                |
| 19 - 20                   | 0         | 0       | 0         | 0                                | 0                                 |
| Total                     | 30        | 48      | 40        | 9                                | 19                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 56: Financial Performance – Roads Services

| Financial Performance 2012/13: : Roads Services |                 |                 |                   |                 |                    |
|-------------------------------------------------|-----------------|-----------------|-------------------|-----------------|--------------------|
| Details                                         | 2011/12         | 2012/13         |                   |                 |                    |
|                                                 | Actual          | Original Budget | Adjustment Budget | Actual          | Variance to Budget |
|                                                 |                 |                 |                   |                 |                    |
| <b>Total Operational Revenue</b>                | <b>19 450</b>   | <b>1 320</b>    | <b>1 320</b>      | <b>36 662</b>   | 2677%              |
| Expenditure:                                    |                 |                 |                   |                 |                    |
| Employees                                       | (8 174)         | (7 906)         | (8 550)           | (9 330)         | 18%                |
| Repairs and Maintenance                         | (11 207)        | (26 250)        | (26 150)          | (10 913)        | -58%               |
| Other                                           | (22 922)        | (18 548)        | (17 353)          | (22 261)        | 20%                |
| <b>Total Operational Expenditure</b>            | <b>(42 303)</b> | <b>(52 704)</b> | <b>(52 053)</b>   | <b>(42 504)</b> | -19%               |
| <b>Net Operational Expenditure</b>              | <b>(22 853)</b> | <b>(51 384)</b> | <b>(50 733)</b>   | <b>(5 842)</b>  | -89%               |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8



# Chapter 3

Table 57: Capital Expenditure – Roads Services

| Capital Expenditure 2012/13: : Roads Services                                                                                                   |           |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                          |           |                   |                    |                               |                     |
| Capital Projects                                                                                                                                | 2011/12   |                   |                    |                               |                     |
|                                                                                                                                                 | Budget    | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |           |                   |                    |                               |                     |
| Project A Gortin Interlocking Paved Road 7,4 km                                                                                                 | 41 000000 |                   | 41 000000          |                               | 41 000000           |
| Project B                                                                                                                                       |           |                   |                    |                               |                     |
| Project C                                                                                                                                       |           |                   |                    |                               |                     |
| Project D                                                                                                                                       |           |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |           |                   |                    |                               |                     |
| T 3.2.9                                                                                                                                         |           |                   |                    |                               |                     |

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The roads and storm water is the highest priority in the municipality, with a serious backlog on all conditions that is surfaced, gravel, dirt roads and paved roads. Lack of funding is a serious challenge and potholes are developing universally on all surfaced roads. Generally the road conditions of internal streets are poor and main roads are reasonably maintained but not adequately.

T3.7.10

# Chapter 3

## 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

**This function is not performed by the Municipality.**

DRAFT

# Chapter 3

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

The storm water drainage network consists of open soil channels fed with runoff from open concrete channels which is part of the roads, where possible, with underground pipes only being installed if it is impossible to do surface draining. The open channels are cleared before rainy seasons and the underground network where stoppages occur. The service is run within the roads section. In informal areas the dirt roads are graded to ensure that runoff of storm water is addressed. A storm water master and sector plan will be compiled as part of the road master and sector plans.

T3.9.1

**Table 58: Storm water Infrastructure**

| Stormwater Infrastructure |                           |                         |                              |                                |
|---------------------------|---------------------------|-------------------------|------------------------------|--------------------------------|
|                           | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
| 2009/10                   | 219                       | 0                       | 0                            | 2                              |
| 2010/11                   | 219                       | 0                       | 0                            | 4                              |
| 2011/12                   | 219                       | 0                       | 0                            | 7                              |
| 2012/13                   |                           |                         |                              |                                |

T 3.9.2

**Table 59: Cost of Construction/Maintenance**

| Cost of Construction/Maintenance |                     |          |            |
|----------------------------------|---------------------|----------|------------|
|                                  | Stormwater Measures |          |            |
|                                  | New                 | Upgraded | Maintained |
| 2009/10                          | 1700                | 600      | 280        |
| 2010/11                          | 1800                | 700      | 330        |
| 2011/12                          | 1900                | 900      | 420        |
| 2012/13                          |                     |          |            |

T 3.9.3

T3.9.4

# Chapter 3

Table 60: Storm water Service Policy Objectives taken from IDP/SDBIP

| Key Performance indicators       | Baseline:<br>2010/11 | Annual target: 2011/12 | Actual performance:<br>30 June 2012  | Reasons for non- or<br>under-performance    | Corrective measures taken<br>or to be taken                                       |
|----------------------------------|----------------------|------------------------|--------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------|
| % roads master plan<br>developed | 50%                  | 100%                   | <b>Target not Achieved</b><br><br>0% | Tender advertised;<br><br>Tender evaluation | Tender to be re-<br>advertised and appoint<br>service provider by 3 <sup>rd</sup> |

# Chapter 3

Table 61: Employees – Storm water Services

| Employees: Storm water Services |           |         |           |                                  |                                   |
|---------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                       | 2011/12   | 2012/13 |           |                                  |                                   |
|                                 | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                 | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                           | 0         | 0       | 0         | 0                                | 0                                 |
| 4 - 6                           | 0         | 0       | 0         | 0                                | 0                                 |
| 7 - 9                           | 0         | 0       | 0         | 0                                | 0                                 |
| 10 - 12                         | 2         | 2       | 2         | 0                                | 0                                 |
| 13 - 15                         | 6         | 6       | 6         | 0                                | 0                                 |
| 16 - 18                         | 7         | 10      | 7         | 3                                | 30                                |
| 19 - 20                         | 0         | 0       | 0         | 0                                | 0                                 |
| Total                           | 15        | 18      | 15        | 3                                | 30                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 62: Financial Performance – Storm water Services

| Financial Performance 2012/13: Storm water Services <i>incl. Under Roads</i> |         |                 |                   |        |                    |
|------------------------------------------------------------------------------|---------|-----------------|-------------------|--------|--------------------|
| Details                                                                      | 2011/12 | 2012/13         |                   |        |                    |
|                                                                              | Actual  | Original Budget | Adjustment Budget | Actual | Variance to Budget |
|                                                                              |         |                 |                   |        |                    |
| <b>Total Operational Revenue</b>                                             |         |                 |                   |        |                    |
| Expenditure:                                                                 |         |                 |                   |        |                    |
| Employees                                                                    |         |                 |                   |        |                    |
| Repairs and Maintenance                                                      |         |                 |                   |        |                    |
| Other                                                                        |         |                 |                   |        |                    |
| <b>Total Operational Expenditure</b>                                         |         |                 |                   |        |                    |
| <b>Net Operational Expenditure</b>                                           |         |                 |                   |        |                    |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

# Chapter 3

Table 63: Capital Expenditure – Storm water Services

| Capital Expenditure 2012/13: Storm water Services ( <i>incl. Under Roads</i> )                                                                  |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                          |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |         |                   |                    |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |
| T 3.2.9                                                                                                                                         |         |                   |                    |                               |                     |

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:  
Storm water is normally attended to by the maintenance team, which is part of road maintenance

T3.9.9

# Chapter 3

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The opportunities in terms of economic development and physical planning is with the existence of the Vaal River close proximity to Gauteng especially the East Rand being the economic hub all represent opportunities that can be explored. Settlements can be planned around such possibilities for long term benefits. The main challenge facing the Municipality is privately owned portions of land, which in most cases owners are not willing to sell and undermined land which limits land available for development

T3.10

## 3.10 PLANNING

### INTRODUCTION TO PLANNING

#### Main elements of the planning strategies

- *To renew the ageing CBD (Urban Renewal)*

The aim of this plan is to propose interventions that can be undertaken in order to keep the Sasolburg CBD active and functional. It has been a trend that some businesses in town have closed shops because they were not sustainable. This was not achieved in the past financial year due to budgetary constraints. The plan going forward is to ensure the implementation of the spatial proposals outlined in the SDF

- *To identify and stimulate development opportunities through spatial planning*

The spatial development framework gives a desirable and sustainable spatial pattern taking into consideration infrastructure availability, which in turn informs longer term planning and capital investment. The 2012/2013 SDF has been completed and is awaiting Council adoption. Lack of staff capacity presented a risk as there was no continuity in taking ownership of the document to ensure it is adopted officially.

- *To monitor and regulate land uses and land development*

The aim of the town planning scheme and the proposed land use management scheme is to ensure orderly planning and development, that happens within the legislative parameters. This, with the aim of maintaining the prescribed zonings and form ascribed to a specified area. The draft land use management scheme is available and will be presented to Council for adoption before the end of the financial year. After which a recommendation will be sent to province for endorsement. A total of 48 development applications were evaluated in the past financial year.

# Chapter 3

## Top 3 service delivery priorities:

- Evaluate development applications and make submissions to province within 60 days: the financial year target has been met and a further proposal is to keep a register in order to track the turnaround time.
- Increase turnaround time in approval of building plans and inspections conducted. 24hr turnaround time has been adopted and has been maintained.
- Enforce the National Building Regulations and the Town Planning Schemes to ensure compliance: notices are served for contraventions of either the town planning scheme or the national building regulations. A law enforcement unit has been established and such contraventions are reported timeously and due penalties instituted.

T3.10.1

Table 64: Applications for Land Use Development

| Applications for Land Use Development |                            |         |          |         |                   |         |
|---------------------------------------|----------------------------|---------|----------|---------|-------------------|---------|
| Detail                                | Formalisation of Townships |         | Rezoning |         | Built Environment |         |
|                                       | 2011/12                    | 2012/13 | 2011/12  | 2012/13 | 2011/12           | 2012/13 |
| Planning application received         | 3                          | 1       | 53       | 33      | 421               | 435     |
| Determination made in year of receipt | 2                          | 1       | 52       | 33      | 353               | 383     |
| Determination made in following year  | 0                          | 0       | 0        | 0       | 0                 | 0       |
| Applications withdrawn                | 0                          | 0       | 0        | 0       | 0                 | 0       |
| Applications outstanding at year end  | 1                          | 0       | 1        | 0       | 68                | 52      |



# Chapter 3

Table 65: Planning Policy Objectives taken from IDP/SDBIP

| Key Performance indicators                                                                               | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance                                                                                      | Corrective measures taken or to be taken                                                                                            |
|----------------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 6.1 % of spatial development framework (SDF) developed and approved (including annual reviews)           | 0%                | 100%                   | Target achieved                  | Not applicable.                                                                                                            | Not applicable.                                                                                                                     |
| 6.2 % of Integrated Land Use Management Scheme (ILUMS) developed and approved (including annual reviews) | 0%                | 100%                   | Target not achieved              | Process plan has been approved in 2007<br><br>Final Draft Land Use Management Scheme developed by the Consultant appointed | Submission to be made to council and the Province<br><br>Await the National( Land use management Scheme) legislation to be approved |

# Chapter 3

| Key Performance indicators                                                                                                                                                                | Baseline: 2011/12 | Annual target: 2012/13  | Actual performance: 30 June 2013 | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------|----------------------------------|---------------------------------------|------------------------------------------|
| 6.3 % of re-zonings, sub-divisions & consolidation applications evaluated and MLM comments submitted to Province within 60 days of receipt <sup>21</sup>                                  | 30%               | 70%<br>(Revised to 95%) | Target achieved<br>(2)           | Not applicable.                       | Not applicable.                          |
| 6.4 % of building plans approved within 30 days of receipt of <u>fully</u> completed applications                                                                                         | 20%               | 75% (revised to 95%)    | Target achieved<br>(95)          | Not applicable.                       | Not applicable.                          |
| 6.5 % of approved building plan inspections conducted as per industry standards<br><i>(Inspection 1: foundation level; Inspection 2: wall plate level; Inspection 3-final inspection)</i> | 50%               | 70%                     | Target achieved<br>(242)         | Not applicable.                       | Not applicable.                          |

<sup>21</sup> Director exercises delegated powers within the approved SDF framework

# Chapter 3

LEAF

# Chapter 3

**Table 66: Employees – Planning Services**

| Employees: Planning Services |           |         |           |                                  |                                   |
|------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                    | 2011/12   | 2012/13 |           |                                  |                                   |
|                              | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                              | No.       | No.     | No.       | No.                              | %                                 |
| 0                            | 2         | 1       | 1         | 50                               | 50                                |
| 6                            | 10        | 5       | 5         | 50                               | 50                                |
| 1                            | 0         | 0       | 0         | 0                                | 0                                 |
| 0                            | 0         | 0       | 0         | 0                                | 0                                 |
| 0                            | 0         | 0       | 0         | 0                                | 0                                 |
| 0                            | 0         | 0       | 0         | 0                                | 0                                 |
| 0                            | 0         | 0       | 0         | 0                                | 0                                 |
| 7                            | 12        | 6       | 6         | 50                               | 50                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

**Table 67: Financial Performance – Planning Services**

| Financial Performance 2012/13: : Planning Services |                |                 |                   |                |                    |
|----------------------------------------------------|----------------|-----------------|-------------------|----------------|--------------------|
| Details                                            | 2011/12        | 2012/13         |                   |                |                    |
|                                                    | Actual         | Original Budget | Adjustment Budget | Actual         | Variance to Budget |
|                                                    |                |                 |                   |                |                    |
| <b>Total Operational Revenue</b>                   | <b>498</b>     | <b>530</b>      | <b>550</b>        | <b>289</b>     | <b>-45%</b>        |
| Expenditure:                                       |                |                 |                   |                |                    |
| Employees                                          | (4 302)        | (2 598)         | (2 598)           | (1 942)        | -25%               |
| Repairs and Maintenance                            | (14)           | (53)            | (53)              | (27)           | -49%               |
| Other                                              | (253)          | (1 303)         | (1 358)           | (194)          | -85%               |
| <b>Total Operational Expenditure</b>               | <b>(4 063)</b> | <b>(3 954)</b>  | <b>(4 009)</b>    | <b>(2 163)</b> | <b>-45%</b>        |
| <b>Net Operational Expenditure</b>                 | <b>(3 565)</b> | <b>(3 424)</b>  | <b>(3 459)</b>    | <b>(1 874)</b> | <b>-45%</b>        |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

Table 68: Capital Expenditure – Planning Services

| Capital Expenditure 2012/13: : Planning Services                                                                                                      |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                      | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                       | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                             |         |                   |                    |                               |                     |
| <b>No Capital Projects budgeted in the current year</b>                                                                                               |         |                   |                    |                               |                     |
| Project A                                                                                                                                             |         |                   |                    |                               |                     |
| Project B                                                                                                                                             |         |                   |                    |                               |                     |
| Project C                                                                                                                                             |         |                   |                    |                               |                     |
| Project D                                                                                                                                             |         |                   |                    |                               |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |         |                   |                    |                               |                     |

R' 000

T 3.2.9

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The priority of the two identified projects arising from the 2012/13 IDP was to address the existing informal settlements through the provision of properly planned and surveyed erven. Both these projects were not concluded as funding was not secured from the Provincial Department as was planned.

T3.10.7

# Chapter 3

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development aims at developing and implanting strategic frameworks for growth and development of the municipality's economy. Economic Development is critical towards the municipality's objective of broadening its economic base and revenue.

Strategic Objectives of the division

- Promote the development of entrepreneurship and capacity building of SMME's and Cooperatives
- To enhance tourism and investment by actively promoting tourism development through comprehensive marketing strategies; marketing existing resorts and ensuring their maximum utility
- Stimulate local economy through policies / by laws that are building towards development within municipality
- Create a platform to communicate with business people; local submit was arranged during the year under review
- To collectively fast track economic development and investment in the area
- Encourage and support creation of new businesses; four cooperatives were registered during the year under review

T3.11.1

Table 69: Economic Activity by Sector:

| Economic Activity by Sector         |      |      |      |
|-------------------------------------|------|------|------|
| Sector                              | 2010 | 2011 | 2012 |
| Agric, forestry and fishing         |      |      |      |
| Mining and quarrying                |      |      |      |
| Manufacturing and transport         |      |      |      |
| Wholesale and retail trade          |      |      |      |
| Finance, property, etc.             |      |      |      |
| Govt, community and social services |      |      |      |
| Infrastructure services             |      |      |      |
| <b>Total</b>                        |      |      |      |

T3.11.2

Current Data on Economic Activity by Sector could not be found at the stage.

# Chapter 3

**Table 70: Economic Employment by Sector**

| Economic Employment by Sector       |                |                | Jobs           |
|-------------------------------------|----------------|----------------|----------------|
| Sector                              | 2010/11<br>No. | 2011/12<br>No. | 2012/13<br>No. |
| Agric, forestry and fishing         | 1 361          | 1 305          | No data found  |
| Mining and quarrying                | 143            | 141            | No data found  |
| Manufacturing                       | 11 718         | 11 035         | No data found  |
| Wholesale and retail trade          | 9 602          | 9 592          | No data found  |
| Finance, property, etc.             | 4 121          | 3 929          | No data found  |
| Govt, community and social services | 12 034         | 12 037         | No data found  |
| Infrastructure services             | 4 548          | 4 496          | No data found  |
| Total                               | <b>43 527</b>  | <b>42 535</b>  | No data found  |
| Source                              |                |                |                |

T 3.11.3

## COMMENT ON LOCAL JOB OPPORTUNITIES:

This will be achieved through:

- The promotion and the development of SMMEs and Cooperatives locally
- Enhancing industrial and commercial development;
- Creating an enabling environment through spatial development and improved safety and security thereby attracting more investors.

T3.11.4

# Chapter 3

**Table 71: Jobs Created through LED Initiatives**

| Jobs Created during 2012/13 by LED Initiatives (Excluding EPWP projects) |              |                                          |                                |                                        |
|--------------------------------------------------------------------------|--------------|------------------------------------------|--------------------------------|----------------------------------------|
| Total Jobs created / Top 3 initiatives                                   | Jobs created | Jobs lost/displaced by other initiatives | Net total jobs created in year | Method of validating jobs created/lost |
|                                                                          | No.          | No.                                      | No.                            |                                        |
| Total (all initiatives)                                                  |              |                                          |                                |                                        |
| 2010/11                                                                  |              |                                          |                                |                                        |
| 2011/12                                                                  | 38           | 2                                        | 36                             | Register                               |
| 2012/13                                                                  |              |                                          |                                | No data found                          |
| Initiative A (2012/13) SMMEs                                             | 0            | 0                                        |                                |                                        |
| Initiative B (2012/13) SLP                                               | 132          | 0                                        | 132                            | Register                               |
| Initiative C (2012/13) Co ops                                            | 0            | 0                                        | 0                              |                                        |
| Initiative D (2012/13) CWP                                               | 1221         | 106                                      | 1115                           | Register                               |

T 3.11.5

**Table 72: Jobs Created through EPWP Projects**

| Job creation through EPWP* projects           |               |                                    |
|-----------------------------------------------|---------------|------------------------------------|
|                                               | EPWP Projects | Jobs created through EPWP projects |
| Details                                       | No.           | No.                                |
| 2010/11                                       |               |                                    |
| 2011/12                                       | 12            | 318                                |
| 2012/13                                       | 0             | 0                                  |
| No EPWP Project in the current Financial Year |               |                                    |

\* - Extended Public Works Programme

T 3.11.6



# Chapter 3

Table 73: LED Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                                  | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance                                                                                                         | Corrective measures taken or to be taken |
|-----------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| 8.1 % of SMME development plan compiled and submitted for approval          | 50%               | 80%                    | Target not achieved              | Council did not approve the initial LED Strategy & requested for an amended strategy and Council approved the appointment of NWU in Sept 2012 | SMME Plan to follow Strategy             |
| 8.2 Number of self-sufficient and sustainable SMMEs supported <sup>22</sup> | 4                 | 4                      | Target not achieved              | Target based on LED Strategy to be approved /considered September 2013                                                                        | To ensure the approval of LED Strategy   |
| 8.3 Number of cooperatives identified and registered <sup>23</sup>          | 4                 | 4                      | Target not Achieved              | Target based on LED Strategy to be approved /considered September 2013                                                                        | To ensure the approval of LED            |
| 8.4 % of marketing and tourism strategy & plan compiled and                 | 50%               | 100%                   | Target not Achieved              | Target based on LED Strategy to be approved /considered September 2013                                                                        | To ensure the approval of LED            |
| 8.5 % of approved marketing and tourism plan implemented                    | 0%                | 80%                    | Target not Achieved              | Target based on LED Strategy to be approved/considered in September 2013                                                                      | To ensure the approval of LED            |

<sup>22</sup> Municipal-wide appointments of SMMEs by all departments – LED performs a monitoring and reporting function

<sup>23</sup>Direct responsibility of LED department

# Chapter 3

| Key Performance Indicators                                                           | Baseline: 2011/12 | Annual target: 2012/13         | Actual performance: 30 June 2013    | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|--------------------------------------------------------------------------------------|-------------------|--------------------------------|-------------------------------------|---------------------------------------|------------------------------------------|
| 8.6 No. of social labour plan (SLP) projects complete                                | 1                 | <sup>24</sup> (Revised from 1) | Harry Gwala Target Achieved         | Not applicable.                       | Not applicable.                          |
| 8.7 % of local jobs summit organised and convened (secure internal/external funding) | 0                 | 100%<br>100%                   | Target Achieved                     | Not Applicable                        | Not Applicable.                          |
| 9.1 Number of employment opportunities created as part of LED (NKPI: 7)              | 0                 | 100 <sup>25</sup>              | Target Achieved                     | Not Applicable                        | Not Applicable.                          |
| 9.2 Number of employment opportunities created through EPWP initiatives (NKPI: 7)    | 0                 | 50 <sup>26</sup>               | Target exceeded                     | Not Applicable                        | Not Applicable.                          |
| 9.3 Number of employment opportunities created through CWP initiatives (NKPI: 7)     | 0                 | 1 000 <sup>27</sup>            | Target exceeded (1221 jobs created) | Not Applicable                        | Not Applicable.                          |

<sup>24</sup>Harry Gwala crèche (Copper Sunset) in ward 13 – 45% progress; Gorlin creche (Bothma & Sons) – 20% progress

<sup>25</sup> Municipal-wide approach – DEDP (in consultation with the PMU and DCS) performs a monitoring and reporting function on behalf of all departments

<sup>26</sup> Municipal-wide approach – DEDP (in consultation with the PMU and DCS) performs a monitoring and reporting function on behalf of all departments

<sup>27</sup> Community Works Programme (CWP) will be managed and implemented by Provincial CoGTA; IDP Unit will coordinate programme at municipal level

# Chapter 3

Table 74: Employees – LED Services

| Employees: LED Services |           |         |           |                                  |                                   |
|-------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level               | 2011/12   | 2012/13 |           |                                  |                                   |
|                         | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                         | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                   | 1         | 5       | 1         | 4                                | 80                                |
| 4 - 6                   | 1         | 1       | 1         | 0                                | 0                                 |
| 7 - 9                   | 0         | 9       | 0         | 9                                | 100                               |
| 10 - 12                 | 0         | 3       | 0         | 3                                | 100                               |
| 13 - 15                 | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                 | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                 | 0         | 0       | 0         | 0                                | 0                                 |
| Total                   | 2         | 18      | 2         | 16                               | 88                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 75: Financial Performance – LED Services

| Financial Performance 2012/13: : LED Services |              |                 |                   |              |                    |
|-----------------------------------------------|--------------|-----------------|-------------------|--------------|--------------------|
| R'000                                         |              |                 |                   |              |                    |
| Details                                       | 2011/12      | 2012/13         |                   |              |                    |
|                                               | Actual       | Original Budget | Adjustment Budget | Actual       | Variance to Budget |
| <b>Total Operational Revenue</b>              | 0            | 3 000           | 3 000             | 0            | -100%              |
| Expenditure:                                  |              |                 |                   |              |                    |
| Employees                                     | (625)        | (606)           | (606)             | (628)        | 4%                 |
| Repairs and Maintenance                       | 0            | (8)             | (9)               | 0            | -100%              |
| Other                                         | (216)        | (955)           | (957)             | (51)         | -97%               |
| <b>Total Operational Expenditure</b>          | <b>(841)</b> | <b>(1 569)</b>  | <b>(1 572)</b>    | <b>(679)</b> | <b>-57%</b>        |
| <b>Net Operational Expenditure</b>            | <b>(841)</b> | <b>1 431</b>    | <b>1 428</b>      | <b>(679)</b> | <b>147%</b>        |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

Table 76: Capital Expenditure – LED Services

| Capital Expenditure 2012/13: : LED Services                                                                                                           |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                                |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                      | 2011/12 |                   |                    |                               |                     |
|                                                                                                                                                       | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                             |         |                   |                    |                               |                     |
| <b>No Capital Projects budgeted in the current Financial Year</b>                                                                                     |         |                   |                    |                               |                     |
| Project A                                                                                                                                             |         |                   |                    |                               |                     |
| Project B                                                                                                                                             |         |                   |                    |                               |                     |
| Project C                                                                                                                                             |         |                   |                    |                               |                     |
| Project D                                                                                                                                             |         |                   |                    |                               |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |         |                   |                    |                               |                     |
| T 3.2.9                                                                                                                                               |         |                   |                    |                               |                     |

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

There were no capital projects in the year under review. However there were number of jobs created through both LED and EPWP initiatives. The non-availability of the LED strategy, the divisional incapacity made the unit basically dysfunctional.

T3.11.11

# Chapter 3

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The library provides reading material, mainly books, but also reference books, newspapers magazine and other types of information media for free to the public. Theater provides stage of the local performing arts concerned with acting out stories in front of an audience using combinations of speech, gesture, music, dance sound and spectacle.

T3.52

### 3.12 LIBRARIES AND THEATRE

#### INTRODUCTION TO LIBRARIES AND THEATRE

Three top priorities are collaborative programmes with arts and culture organisations, collaborative programmes with the local artists in theater programmes, collaborative and support programmes with the department of education on issues of library. Presentation of original works benefiting the community and providing fresh insights into our world. Theater also provides entertainment to the community.

T3.12.1

#### SERVICE STATISTICS FOR LIBRARIES AND THEATRE

Number of library branches, including main library: 5  
Total weekly hours of operation of the library: 56  
Number of active library card holders: 11 342 (Total active members after computerization)  
Number of theatres: 1  
Total weekly hours of operation of theatre: 43 (Excluding after hours bookings)

T3.12.2

# Chapter 3

Table 77: Libraries and Theatre Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                           | Baseline:<br>2011/12 | Annual target:<br>2012/13 | Actual<br>performance:<br>30 June 2013 | Reasons for non- or<br>under-performance     | Corrective measures taken<br>or to be taken                             |
|----------------------------------------------------------------------|----------------------|---------------------------|----------------------------------------|----------------------------------------------|-------------------------------------------------------------------------|
| <b>16.1 Number of functional arts and culture forums established</b> | 1                    | 3 (Revised to one)        | <b>Target not Achieved</b>             | Lack of capacity                             | Establish functional Forum by end of Sept. 2013.                        |
| <b>16.2 % of Annual arts and culture festival organised/hosted</b>   | 0%                   | 100%                      | <b>Target not Achieved</b>             | Festival was not funded for the last 2 years | To coordinate with OEM for securing funds for the next FY<br>( 2013/14) |
| <b>16.3 Number of arts and culture programmes organised</b>          | 50                   | 55                        | <b>Target not Achieved</b>             | Lack of capacity (Marketing staff)           | Capacitating the Unit by end of Sept. 2013                              |
| <b>16.4 % increase in events/programmes held at theatre</b>          | 0                    | 10% (Revised to 30%)      | <b>Target not Achieved</b>             | Lack of capacity (Marketing staff)           | Capacitating the Unit by end of Sept. 2013                              |

# Chapter 3

|                                                                                    |   |      |                     |                                    |                                            |
|------------------------------------------------------------------------------------|---|------|---------------------|------------------------------------|--------------------------------------------|
| 16.5 % increase in the number of local artists participating in theatre programmes | 0 | 100% | Target not Achieved | Lack of capacity (Marketing staff) | Capacitating the Unit by end of Sept. 2013 |
| 16.6 % increase in the number of local schools participating in theatre            | 0 | 100% | Target not Achieved | Lack of capacity (Marketing staff) | Capacitating the Unit by end of Sept. 2013 |

# Chapter 3

Table 78: Employees – Libraries and Theatre

| Employees: Libraries and Theatre |           |         |           |                                  |                                   |
|----------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                        | 2011/12   | 2012/13 |           |                                  |                                   |
|                                  | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                  | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                            | 1         | 2       | 2         | 0                                | 0                                 |
| 4 - 6                            | 1         | 1       | 0         | 1                                | 10                                |
| 7 - 9                            | 7         | 8       | 5         | 3                                | 37.5                              |
| 10 - 12                          | 13        | 17      | 12        | 5                                | 29.4                              |
| 13 - 15                          | 2         | 4       | 4         | 0                                | 0                                 |
| 16 - 18                          | 0         | 1       | 0         | 1                                | 100                               |
| 19 - 20                          | 0         | 0       | 0         | 0                                | 0                                 |
| Total                            | 24        | 33      | 23        | 10                               | 30                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 79: Financial Performance – Libraries and Theatre

| Financial Performance 2012/13: Libraries and Theatre |               |                 |                   |                |                    |
|------------------------------------------------------|---------------|-----------------|-------------------|----------------|--------------------|
| Details                                              | 2011/12       | 2012/13         |                   |                |                    |
|                                                      | Actual        | Original Budget | Adjustment Budget | Actual         | Variance to Budget |
|                                                      |               |                 |                   |                |                    |
| <b>Total Operational Revenue</b>                     | 228           | 1 927           | 2 033             | 856            | -56%               |
| Expenditure:                                         |               |                 |                   |                |                    |
| Employees                                            | (5123)        | (6 460)         | (6 425)           | (5 264)        | -19%               |
| Repairs and Maintenance                              | (54)          | (280)           | (283)             | (29)           | -90%               |
| Other                                                | (857)         | (1 035)         | (1 029)           | (36)           | -97%               |
| <b>Total Operational Expenditure</b>                 | <b>(6034)</b> | <b>(7 775)</b>  | <b>(7 737)</b>    | <b>(5 257)</b> | <b>-32%</b>        |
| <b>Net Operational Expenditure</b>                   | <b>(5806)</b> | <b>(5 848)</b>  | <b>(5 704)</b>    | <b>(4401)</b>  | <b>-28%</b>        |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8



# Chapter 3

**Table80: Capital Expenditure – Libraries and Theatre**

| Capital Expenditure 2012/13: : Libraries and Theatre                                                                                                  |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                                |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                      | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                       | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                             | 0       | 0                 |                    | 0                             |                     |
| <b>No Capital Projects budgeted for in the current Financial Year</b>                                                                                 |         |                   |                    |                               |                     |
| Project A                                                                                                                                             |         |                   |                    |                               |                     |
| Project B                                                                                                                                             |         |                   |                    |                               |                     |
| Project C                                                                                                                                             |         |                   |                    |                               |                     |
| Project D                                                                                                                                             |         |                   |                    |                               |                     |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> |         |                   |                    |                               |                     |
| T 3.2.9                                                                                                                                               |         |                   |                    |                               |                     |

## COMMENT ON THE PERFORMANCE OF LIBRARIES AND THEATRE OVERALL:

No capital project was internally budgeted for libraries and Theatre.

T3.12.7

# Chapter 3

## 3.13 CEMETERIES

### INTRODUCTION TO CEMETERIES

There are four main public cemeteries that are open for burials in Metsimaholo Local municipality, that is, Zamdela, Sasolburg, Refengkgotso, Orangeville and Metsimaholo. Department of Social Services is responsible for the administration, operation and maintenance of the cemeteries.

T3.13.1

### SERVICE STATISTICS FOR CEMETERIES

Number of employees working at the cemeteries: 16  
Total weekly hours of operation of the cemeteries: 45

T3.13.2

# Chapter 3

Table 81: Cemeteries Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                     | Baseline : 2011/12 | Annual target: 2012/13          | Actual performance: 30 June 2013 | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|------------------------------------------------|--------------------|---------------------------------|----------------------------------|---------------------------------------|------------------------------------------|
| 12.12 Number of existing cemeteries maintained | 8                  | 19 (Revised to 8) <sup>28</sup> | <b>Target Achieved</b>           | Not Applicable                        | Not Applicable                           |

<sup>28</sup>Target to exclude 11 private cemeteries

# Chapter 3

Table 82: Employees – Cemeteries

| Employees: Cemeteries |           |         |           |                                  |                                   |
|-----------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level             | 2011/12   | 2012/13 |           |                                  |                                   |
|                       | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                       | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                 | 0         | 0       | 0         | 0                                | 0                                 |
| 4 - 6                 | 0         | 0       | 0         | 0                                | 0                                 |
| 7 - 9                 | 0         | 0       | 0         | 0                                | 0                                 |
| 10 - 12               | 1         | 1       | 1         | 1                                | 1                                 |
| 13 - 15               | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18               | 5         | 10      | 5         | 5                                | 50                                |
| 19 - 20               | 0         | 0       | 0         | 0                                | 0                                 |
| Total                 | 6         | 11      | 6         | 6                                | 46                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 83: Financial Performance – Cemeteries

| Financial Performance 2012/13: : Cemeteries |         |                 |                   |        |                    |
|---------------------------------------------|---------|-----------------|-------------------|--------|--------------------|
| R'000                                       |         |                 |                   |        |                    |
| Details                                     | 2011/12 | 2012/13         |                   |        |                    |
|                                             | Actual  | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue                   | 190     | 270             | 270               | 164    | -39%               |
| Expenditure:                                |         |                 |                   |        |                    |
| Employees                                   | (634)   | (1 384)         | (1 314)           | (612)  | -56%               |
| Repairs and Maintenance                     | 0       | (56)            | (56)              | (2)    | -96%               |
| Other                                       | (46)    | (219)           | (244)             | (610)  | 179%               |
| Total Operational Expenditure               | (680)   | (1 659)         | (1 614)           | (677)  | -59%               |
| Net Operational Expenditure                 | (490)   | (1 389)         | (1 344)           | (513)  | -63%               |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

Table 84: Capital Expenditure – Cemeteries

| Capital Expenditure 2012/13: Cemeteries                                                                                                         |           |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13   |                   |                    |                               |                     |
|                                                                                                                                                 | Budget    | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |           |                   |                    |                               |                     |
| Project A                                                                                                                                       | 6 000 000 |                   |                    |                               |                     |
| Project B                                                                                                                                       |           |                   |                    |                               |                     |
| Project C                                                                                                                                       |           |                   |                    |                               |                     |
| Project D                                                                                                                                       |           |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |           |                   |                    |                               |                     |

R' 000

T 3.2.9

## COMMENT ON THE PERFORMANCE OF CEMETERIES OVERALL:

No capital projects were budgeted for cemeteries.

T3.13.7

# Chapter 3

## 3.14 CHILDCARE; AGED CARE; SOCIAL PROGRAMMES

### INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Special programmes are located in the Office of the Executive Mayor and include the youth, women, disabled, aged, children and HIV/AIDS. The majority of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and external stakeholders.

*T3.14.1*

# Chapter 3

Table 85: Social Programmes Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                                                                                             | Baseline : 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance | Corrective measures taken or to be taken      |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------|----------------------------------|---------------------------------------|-----------------------------------------------|
| <b>15.1 % of households with access to primary health care (PHC) services within a radius of 5km (Provincial Department of Health)</b> | 75%                | 100% <sup>29</sup>     | <b>Target not Achieved</b>       | Not Applicable                        | Not Applicable                                |
| <b>15.2 Number of community awareness programmes conducted on HIV/AIDS, TB and STIs (OEM)</b>                                          | 6                  | 6 <sup>30</sup>        | <b>Target not Achieved</b>       | Due to unresolved labour issues       | To ensure implementation by end of Sept. 2013 |

<sup>29</sup>Linked to the construction of a clinic in Amelia by the Provincial Health Department. Expected date of completion is 31 March 2013

<sup>30</sup>Programmes to be conducted in consultation with District and Province

# Chapter 3

| Key Performance Indicators                                                   | Baseline : 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance | Corrective measures taken or to be taken      |
|------------------------------------------------------------------------------|--------------------|------------------------|----------------------------------|---------------------------------------|-----------------------------------------------|
| <b>15.3 Number of sport development programmes organized/offered (DSS)</b>   | 0                  | 12 <sup>31</sup>       | <b>Target Achieved</b>           | Not Applicable                        | Not Applicable                                |
| <b>15.4 Number of library development programmes organized/offered (DSS)</b> | 800                | 850 <sup>32</sup>      | <b>Target Achieved</b>           | Not Applicable                        | Not Applicable                                |
| <b>15.5 Number of new members to libraries (DSS)</b>                         | 500                | 500                    | <b>Target Achieved</b>           | Not Applicable                        | Not Applicable                                |
| <b>15.6 Number of youth development programmes organized(OEM)</b>            | 4                  | 4                      | <b>Target not Achieved</b>       | Due to unresolved labour issues       | To ensure implementation by end of Sept. 2013 |

<sup>31</sup>Programmes to be conducted in consultation with District and Province

<sup>32</sup>Programmes are usually organised during school holidays and special commemoration days/months such as Mandela month, Heritage week/month, etc.



# Chapter 3

| Key Performance Indicators                              | Baseline : 2011/12 | Annual 2012/13 target: | Actual performance: 30 June 2013 | Reasons for non- or under-performance | Corrective measures taken or to be taken      |
|---------------------------------------------------------|--------------------|------------------------|----------------------------------|---------------------------------------|-----------------------------------------------|
| 15.7 Number of programmes organized for women (OEM)     | 4                  | 4                      | Target not Achieved              | Due to unresolved labour issues       | To ensure implementation by end of Sept. 2013 |
| 15.8 Number of programmes organized for children (OEM)  | 4                  | 8                      | Target not Achieved              | Due to unresolved labour issues       | To ensure implementation by end of Sept. 2013 |
| 15.9 Number of programmes organized with the aged (OEM) | 2                  | 2                      | Target not Achieved              | Due to unresolved labour issues       | To ensure implementation by end of Sept. 2013 |

# Chapter 3

**Table 86: Employees – Social Programmes**

| Employees: Social Programmes |           |         |           |                                  |                                   |
|------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                    | 2011/12   | 2012/13 |           |                                  |                                   |
|                              | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                              | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                        | 0         | 1       | 0         | 1                                | 100                               |
| 4 - 6                        | 3         | 6       | 3         | 3                                | 50                                |
| 7 - 9                        | 0         | 0       | 0         | 0                                | 0                                 |
| 10 - 12                      | 0         | 0       | 0         | 0                                | 0                                 |
| 13 - 15                      | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                      | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                      | 0         | 0       | 0         | 0                                | 0                                 |
| Total                        | 3         | 7       | 3         | 4                                | 57                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

**Table 87: Financial Performance – Social Programmes**

| Financial Performance 2012/13: Social Programmes |              |                 |                   |              |                    |
|--------------------------------------------------|--------------|-----------------|-------------------|--------------|--------------------|
| Details                                          | 2011/12      | 2012/13         |                   |              |                    |
|                                                  | Actual       | Original Budget | Adjustment Budget | Actual       | Variance to Budget |
|                                                  |              |                 |                   |              |                    |
| <b>Total Operational Revenue</b>                 |              |                 |                   |              |                    |
| Expenditure:                                     |              |                 |                   |              |                    |
| Employees                                        | (461)        | (550)           | (550)             | (225)        | (59%)              |
| Repairs and Maintenance                          | 0            | (2)             | (2)               | 0            | (100%)             |
| Other                                            | (36)         | (3 384)         | (2 134)           | (467)        | (86%)              |
| <b>Total Operational Expenditure</b>             | <b>(497)</b> | <b>(3 936)</b>  | <b>(2 686)</b>    | <b>(692)</b> | <b>(82%)</b>       |
| <b>Net Operational Expenditure</b>               | <b>(497)</b> | <b>(3 936)</b>  | <b>(2 686)</b>    | <b>(692)</b> |                    |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

**Table 88: Capital Expenditure – Social Programmes**

| Capital Expenditure 2012/13: : Social Programmes                                                                                                |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |         |                   |                    |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |

T 3.2.9

## COMMENT ON THE PERFORMANCE OF SOCIAL PROGRAMMES OVERALL:

The majority of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and other external stakeholders.

T3.14.7

# Chapter 3

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

### INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection means policies and procedures aimed at conserving the natural resources, preserving the current state of natural environment and where possible, reversing its degradation.

*T3.14*

## 3.15 ENVIRONMENTAL PROTECTION

### INTRODUCTION TO ENVIRONMENTAL PROTECTION

Top priority of the municipality is to formulate policies and procedures aimed at conserving the natural resources, preserving the current state of natural environment and where possible, reversing its degradation.

*T3.15.1*

### SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION

Environmental master plan to be submitted to council before the implementation takes place

*T3.15.2*

# Chapter 3

Table 89: Environmental Protection Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                     | Baseline : 2011/12 | Annual target: 2012/13                                                                           | Actual performance: 30 June 2013           | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|----------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------------|------------------------------------------|
| % of the Environmental Master Plan implemented.                | 20%                | 100% implementation of the Environmental Master Plan by June 2012 <i>(including air quality)</i> | <b>0% progress (Target not achieved)</b>   | Lack of funding                       | COGTA to assist with pilot project       |
| % of compliance with environment legislations and regulations. | 50%                | 100% compliance by June 2012                                                                     | <b>80% compliant (Target not achieved)</b> | Lack of funding                       | DEA requested to assist the municipality |

# Chapter 3

**Table 90: Employees – Environmental Protection**

**The municipality does not have dedicated personnel and budget for this function.**

**COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL OVERALL:**

No capital project was budgeted for environmental protection because environmental master plan to be adopted by council.

*T3.15.7*

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

**The Municipality does not perform the above functions.**

# Chapter 3

## COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

### INTRODUCTION TO HEALTH

*Note: Recent legislation includes the National Health Act 2004.*

The municipality does not perform any of the health-related functions. These functions are either performed by the District or the Province.

T 3.17

#### 3.17 CLINICS

**The Municipality does not perform the above function.**

#### 3.18 AMBULANCE SERVICES

**The Municipality does not perform the above function.**

#### 3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

**The Municipality does not perform the above functions.**

# Chapter 3

## COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

### INTRODUCTION TO SECURITY & SAFETY

Security and safety include the traffic police, by-law enforcement and fire services.

T3.20

### 3.20 TRAFFIC POLICE

#### INTRODUCTION TO TRAFFIC POLICE

Traffic police are responsible for traffic policing and enforcing local by laws within the municipality, and working in cooperation with the south african police service to prevent crime and maintain public order. Top priorities, traffic policing, enforcement of municipal bylaws and regulations preventing crime.

T3.20.1

**Table 93: Traffic Police Service Data**

| Traffic Police Service Data                                |            |              |            |              |
|------------------------------------------------------------|------------|--------------|------------|--------------|
| Details                                                    | 2011/12    | 2012/13      |            |              |
|                                                            | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 Number of road traffic accidents during the year         | 1185       | -            | 1250       | -            |
| 2 Number of by-law infringements attended                  | 43         | -            | 80         | -            |
| 3 Number of police officers in the field on an average day | 16         | -            | 16         | -            |
| 4 Number of police officers on duty on an average day      | 15         | -            | 15         | -            |
|                                                            |            |              |            | T 3.20.2     |

The number of officers available is determined by sampling the number of officers in the field and in offices and stations on the same day, sampling different times of day and different days of the week throughout the year.

T3.20.2.1



# Chapter 3

DRAFT

# Chapter 3

**Table94: Police Policy Objectives taken from IDP/SDBIP**

| Key Performance Indicators                                                                                                | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance   | Corrective measures taken or to be taken |
|---------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|-----------------------------------------|------------------------------------------|
| <b>14.1 % participation of MLM established Community Policing Forums (CPF's) established and functional</b> <sup>33</sup> | 75%               | 100%                   | <b>Target Achieved</b>           | Not Applicable                          | Not Applicable                           |
| <b>14.2 Number of street committees(sector policing) established and functional</b>                                       | 0                 | 21                     | <b>Not Applicable</b>            | Not Applicable                          | Not Applicable                           |
| <b>14.3 % of By-Law enforcement unit established and functional</b>                                                       | 75%               | 80%                    | <b>Target not Achieved</b>       | Delay in appointment of By Law Officers | To fast track the appointment            |

<sup>33</sup>Changed from CSF to CPF based on directive from Cluster Commander; 1 CPF established for each of the 5 police stations

# Chapter 3

| Key Performance Indicators                                                                                 | Baseline: 2011/12 | Annual target: 2012/13                   | Actual performance: 30 June 2013 | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------|----------------------------------|---------------------------------------|------------------------------------------|
| 14.4 Number of school road safety programmes implemented ( <i>in consultation with School Principals</i> ) | 15                | 15                                       | Target Achieved                  | Not Applicable                        | Not Applicable                           |
| 14.5 % support for provincial and national crime prevention initiatives                                    | 100%              | 100% <sup>34</sup>                       | Target Achieved                  | Not Applicable                        | Not Applicable                           |
| 14.6 % community access to fire-fighting services (all wards)                                              | 100%              | 100%                                     | Target Achieved                  | Not Applicable                        | Not Applicable                           |
| 14.7 Response time to fire-fighting emergencies                                                            | Within 30         | 100% within 30 mins (Revised to 20 mins) | Target Achieved                  | Not Applicable                        | Not Applicable                           |

<sup>34</sup>Including road blocks, rolling enforcement plans, campaigns, etc.

# Chapter 3

**Table 95: Employees – Traffic Police**

| Employees: Traffic Police |           |         |           |                                  |                                   |
|---------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                 | 2011/12   | 2012/13 |           |                                  |                                   |
|                           | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                           | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                     | 0         | 0       | 0         | 0                                | 0                                 |
| 4 - 6                     | 1         | 5       | 1         | 4                                | 80                                |
| 7 - 9                     | 15        | 32      | 15        | 17                               | 53                                |
| 10 - 12                   | 4         | 15      | 4         | 11                               | 73                                |
| 13 - 15                   | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                   | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                   | 0         | 0       | 0         | 0                                | 0                                 |
| Total                     | 20        | 52      | 20        | 32                               | 62                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

**Table 96: Financial Performance – Traffic Police**

| Financial Performance 2012/13: : Traffic Police |                 |                 |                   |                 |                    |
|-------------------------------------------------|-----------------|-----------------|-------------------|-----------------|--------------------|
| R'000                                           |                 |                 |                   |                 |                    |
| Details                                         | 2011/12         | 2012/13         |                   |                 |                    |
|                                                 | Actual          | Original Budget | Adjustment Budget | Actual          | Variance to Budget |
| <b>Total Operational Revenue</b>                | <b>6 437</b>    | <b>12 307</b>   | <b>12 308</b>     | <b>4 357</b>    | <b>-65%</b>        |
| Expenditure:                                    |                 |                 |                   |                 |                    |
| Employees                                       | (7 258)         | (7 281)         | (7 281)           | (8 005)         | 10%                |
| Repairs and Maintenance                         | (283)           | (485)           | (428)             | (236)           | -51%               |
| Other                                           | (3 009)         | (5 031)         | (5 083)           | (2 234)         | -56%               |
| <b>Total Operational Expenditure</b>            | <b>(10 550)</b> | <b>(12 797)</b> | <b>(12 792)</b>   | <b>(10 475)</b> | <b>-18%</b>        |
| <b>Net Operational Expenditure</b>              | <b>(4113)</b>   | <b>(490)</b>    | <b>(484)</b>      | <b>(6 118)</b>  | <b>1449%</b>       |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

**Table 97: Capital Expenditure – Traffic Police**

| Capital Expenditure 2012/13: : Traffic Police                                                                                                   |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                          |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                | 2021/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       | 1 498   | 348               | 0                  |                               |                     |
| No capital projects budgeted for traffic police                                                                                                 |         |                   |                    |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |
| T 3.2.9                                                                                                                                         |         |                   |                    |                               |                     |

## COMMENT ON THE PERFORMANCE OF TRAFFIC POLICE OVERALL:

No capital projects were budgeted for traffic police.

T3.20.7

# Chapter 3

## 3.21 FIRE

### INTRODUCTION TO FIRE SERVICES

Fire department provides predominantly emergency firefighting and rescue services for municipality. Top priority of fire department is to provide fire prevention services and fire precautions to ensure that in the event of fire, people can safely evacuate the premises unharmed.

T3.21.1

**Table 98: Fire Service Data**

| Fire Service Data |                                                          |            |              |            |              |
|-------------------|----------------------------------------------------------|------------|--------------|------------|--------------|
|                   | Details                                                  | 2010/11    | 2011/12      |            | 2012/13      |
|                   |                                                          | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1                 | Total fires attended in the year                         | 568        | -            | 348        | 348          |
| 2                 | Total of other incidents attended in the year            | 593        | -            | 747        | 1000         |
| 3                 | Average turnout time - urban areas                       | 4min       | -            | 4min       | 3min         |
| 4                 | Average turnout time - rural areas                       | 4min       | -            | 4min       | 3min         |
| 5                 | Fire fighters in post at year end                        | 24         | -            | 25         | 23           |
| 6                 | Total fire appliances at year end                        | 5          | -            | 5          | 5            |
| 7                 | Average number of appliance off the road during the year | 2          | -            | 1          | 1            |
| T 3.21.2          |                                                          |            |              |            |              |

T 3.21.2

Average turnout times are determined by logging the times taken to reach an emergency incident from receipt of call and analysing the record.

# Chapter 3

**Table 100: Employees – Fire Services**

| Employees: Fire Services |           |         |           |                                  |                                   |
|--------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                | 2011/12   | 2012/13 |           |                                  |                                   |
|                          | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                          | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                    | 0         | 0       | 0         | 0                                | 0                                 |
| 4 - 6                    | 5         | 5       | 5         | 0                                | 0                                 |
| 7 - 9                    | 13        | 36      | 14        | 22                               | 64                                |
| 10 - 12                  | 4         | 6       | 4         | 2                                | 33                                |
| 13 - 15                  | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                  | 1         | 3       | 1         | 2                                | 67                                |
| 19 - 20                  | 0         | 0       | 0         | 0                                | 0                                 |
| Total                    | 23        | 50      | 24        | 28                               | 56                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

**Table 101: Financial Performance – Fire Services**

| Financial Performance 2012/13: : Fire Services |                 |                 |                   |                |                    |
|------------------------------------------------|-----------------|-----------------|-------------------|----------------|--------------------|
| R'000                                          |                 |                 |                   |                |                    |
| Details                                        | 2011/12         | 2012/13         |                   |                |                    |
|                                                | Actual          | Original Budget | Adjustment Budget | Actual         | Variance to Budget |
| <b>Total Operational Revenue</b>               | <b>104</b>      | <b>200</b>      | <b>200</b>        | <b>146</b>     | <b>-27%</b>        |
| Expenditure:                                   |                 |                 |                   |                |                    |
| Employees                                      | (8 386)         | (11 031)        | (11 031)          | (8 955)        | <b>-19%</b>        |
| Repairs and Maintenance                        | (290)           | (590)           | (565)             | (353)          | <b>-40%</b>        |
| Other                                          | (1 475)         | (1 465)         | (1 617)           | (521)          | <b>-64%</b>        |
| <b>Total Operational Expenditure</b>           | <b>(10 151)</b> | <b>(13 086)</b> | <b>(13 213)</b>   | <b>(9 829)</b> | <b>-25%</b>        |
| <b>Net Operational Expenditure</b>             | <b>(10 047)</b> | <b>(12 886)</b> | <b>(13 013)</b>   | <b>(9 683)</b> | <b>-25%</b>        |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

**Table 102: Capital Expenditure – Fire Services**

| Capital Expenditure 2012/13: : Fire Services                                                                                                    |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                          |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       | 2 695   | 1 170             | 2                  | -134 650%                     |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |
| T 3.2.9                                                                                                                                         |         |                   |                    |                               |                     |

## COMMENT ON THE PERFORMANCE OF FIRESERVICES OVERALL:

No major capital projects budgeted for fire services.

T 3.2.10



# Chapter 3

## 3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

The Municipality only performs the disaster management and control of public nuisances functions

### INTRODUCTION TO DISASTER MANAGEMENT AND CONTROL OF PUBLIC NUISANCES, ETC

**Disaster management function is performed by District Municipality.**

T3.22.1

### SERVICE STATISTICS FOR DISASTER MANAGEMENT AND CONTROL OF PUBLIC NUISANCES, ETC

**Disaster management function is performed by District Municipality.**

T3.22.2

# Chapter 3

Table 103 : Disaster Management Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                                                                         | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance                               | Corrective measures taken or to be taken                                  |
|--------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|
| 17.1 Increased number of disaster awareness programmes conducted in partnership with District and local Industries | 1 per quarter     | 4                      | Target not Achieved              | Lack of support from District Municipality                          | To engage District Municipality to arrange more programmes                |
| 17.2 % of disaster management plan developed and implemented                                                       | 100%              | 100%                   | Target not Achieved              | Delay in submission to Council                                      | To fast track the submission of the Plan to Council by end of Sept. 2013. |
| 17.3 Number of volunteers trained on disaster management                                                           | 60                | 120                    | Target not Achieved              | Delay by Province to finalize directives on Training for Volunteers | To make follow ups with the Province by end of Sept.2013.                 |

# Chapter 3

**Table104 : Employees – Disaster Management**

| Employees: Disaster Management |           |         |           |                                  |                                   |
|--------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                      | 2011/12   | 2012/13 |           |                                  |                                   |
|                                | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                          | 0         | 0       | 0         | 0                                | 0                                 |
| 4 - 6                          | 0         | 1       | 0         | 1                                | 100                               |
| 7 - 9                          | 0         | 5       | 0         | 5                                | 100                               |
| 10 - 12                        | 0         | 0       | 0         | 0                                | 0                                 |
| 13 - 15                        | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                        | 0         | 5       | 0         | 5                                | 100                               |
| 19 - 20                        | 0         | 0       | 0         | 0                                | 0                                 |
| Total                          | 0         | 11      | 0         | 11                               | 100                               |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

**Table 105 : Financial Performance – Disaster Management**

| Financial Performance 2012/13: : Disaster Management |             |                 |                   |             |                    |
|------------------------------------------------------|-------------|-----------------|-------------------|-------------|--------------------|
| Details                                              | 2011/12     | 2012/13         |                   |             |                    |
|                                                      | Actual      | Original Budget | Adjustment Budget | Actual      | Variance to Budget |
|                                                      |             |                 |                   |             |                    |
| <b>Total Operational Revenue</b>                     | 0           | 0               | 0                 | 0           | 0                  |
| Expenditure:                                         | 0           | 0               | 0                 | 0           | 0                  |
| Employees                                            | 0           | 0               | 0                 | 0           | 0                  |
| Repairs and Maintenance                              | 9           | 0               | 0                 | 0           | 0                  |
| Other                                                | (36)        | (68)            | (74)              | (29)        | -57%               |
| <b>Total Operational Expenditure</b>                 | <b>(36)</b> | <b>(68)</b>     | <b>(74)</b>       | <b>(29)</b> | <b>-57%</b>        |
| <b>Net Operational Expenditure</b>                   | <b>(36)</b> | <b>(68)</b>     | <b>(74)</b>       | <b>(29)</b> | <b>-57%</b>        |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

Table 106: Capital Expenditure – Disaster Management

| Capital Expenditure 2012/13: : Disaster Management                                                                                              |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       | 500     | 250               | 0                  |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |

R' 000

T 3.2.9

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

Disaster management function is performed by District Municipality.

T3.22.7

# Chapter 3

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

### INTRODUCTION TO SPORT AND RECREATION

The aim of sport and recreation is to improve the quality of life of all Metsimaholo residents by promoting participation in sport and recreation. Department of Parks works with outside groups like Rejuvenation to keep all open spaces and parks in Metsimaholo clean and green, and well maintained.

T3.23

### 3.23 SPORT AND RECREATION

#### SERVICE STATISTICS FOR SPORT AND RECREATION

Number of stadiums: 2  
Number of swimming pools: 3  
Number of Sports halls: 6  
Number of community parks: 20

T3.23.1

# Chapter 3

Table 107: Sport and Recreation Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                             | Baseline: 2011/12 | Annual target: 2012/13          | Actual performance: 30 June 2013                            | Reasons for non- or under-performance | Corrective measures taken or to be taken          |
|--------------------------------------------------------|-------------------|---------------------------------|-------------------------------------------------------------|---------------------------------------|---------------------------------------------------|
| 12.1 Number of new community halls or MPCs established | 1                 | 100%                            | Target not Achieved( only 1 MPC in Harry Gwala established) | Lack of Funding                       | To secure funding from external donors (SLPs)     |
| 12.2 Number of new family parks established            | 2                 | 19 (Revised to 8) <sup>35</sup> | Target Achieved                                             | Not Applicable                        | Not Applicable                                    |
| 12.3 Number of new sports grounds established          | 0                 | 100%                            | Target Achieved                                             | Not Applicable                        | Not Applicable                                    |
| 12.4 Number of existing community halls upgraded       | 4                 | 50 000 <sup>36</sup>            | Target not Achieved                                         | Lack of Maintenance Plan              | To develop a maintenance Plan by end of Sept.2013 |

<sup>35</sup>Target to exclude 11 private cemeteries

<sup>36</sup>Average of 2000 visitors per off-peak month (OPM) and 6000 visitors per peak month (PM)

# Chapter 3

| Key Performance Indicators                      | Baseline: 2011/12 | Annual target: 2012/13                  | Actual performance: 30 June 2013                   | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|-------------------------------------------------|-------------------|-----------------------------------------|----------------------------------------------------|---------------------------------------|------------------------------------------|
| 12.5 Number of existing swimming pools upgraded | 2                 | 55%                                     | Target not Achieved (only Penny Heyns maintained)  | Lack of funding                       | To secure funding by end of Sept. 2013.  |
| 12.6 Number of existing family parks            | 7                 | 40 000 (Revised to 15000) <sup>37</sup> | Target Achieved                                    | Not Applicable                        | Not Applicable                           |
| 12.7 Number of existing sports grounds          | 10                | 100%                                    | Target Achieved                                    | Not Applicable                        | Not Applicable                           |
| 12.8 Number of stadiums upgraded                | 2                 |                                         | Target not Achieved (only DP De Villiers upgraded) | Lack of Funding                       | To secure funding by end of Sept. 2013.  |
| 12.9 % of HPC maintained                        | 0                 |                                         | Target Achieved                                    | Lack of Funding                       | To secure funding by end of Sept. 2013.  |
| 12.10 Number of existing cemeteries             | 8                 |                                         | Target Achieved                                    | Not Applicable                        | Not Applicable                           |

<sup>37</sup>Based on 500 visitors per off-peak month and 2 000 visitors per peak month

# Chapter 3

| Key Performance Indicators                                      | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance               | Corrective measures taken or to be taken                  |
|-----------------------------------------------------------------|-------------------|------------------------|----------------------------------|-----------------------------------------------------|-----------------------------------------------------------|
| 12.11 % review of Abrahamsrust management & operational systems | 20%               |                        | Target not Achieved              | Not Applicable                                      | Not Applicable                                            |
| 12.12 % improvement in management & operational systems at      | 20%               |                        | Target not Achieved              | Lack of capacity and staff                          | To fast track the appointment of Resort Manager by end of |
| 12.13 % of Abrahamsrust facility maintained and                 | 50%               |                        | Target not Achieved              | Delay in appointment of Resort Manager              | To fast track the appointment of Resort                   |
| 12.14 Increased total number of visitors to                     | 22 000            |                        | Target not Achieved              | Lack of Funding                                     | To secure funding by end of Sept.2013.                    |
| 12.15 % of Day Visitors Facilities (OV/DV)                      | 35%               |                        | Target not Achieved              | Decline in number due to renovations in the resort. | To market a resort to increase visitors                   |
| 12.16 Increased number of visitors to Day Visitors              | 30 000            |                        | Target not Achieved              | Lack of Funding                                     | To secure funding                                         |
| 12.17 % review of management and                                | 20%               |                        | Target not Achieved              | Delay in appointment of Resort Manager              | To fast track the appointment of Resort                   |



# Chapter 3

**Table 108: Employees – Sport and Recreation**

| Employees: Sport and Recreation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |         |           |                                  |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2011/12   | 2012/13 |           |                                  |                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2         | 3       | 2         | 1                                | 33                                |
| 4 - 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2         | 7       | 1         | 6                                | 86                                |
| 7 - 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1         | 1       | 1         | 0                                | 0                                 |
| 10 - 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 4         | 8       | 4         | 4                                | 50                                |
| 13 - 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 32        | 42      | 32        | 10                               | 24                                |
| 16 - 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 96        | 124     | 90        | 34                               | 27                                |
| 19 - 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0         | 0       | 0         | 0                                | 0                                 |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 137       | 185     | 130       | 55                               | 30                                |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p>T 3.2.7</p> |           |         |           |                                  |                                   |

**Table 109: Financial Performance – Sport and Recreation**

| Financial Performance 2012/13: : Sport and Recreation                                                                                                                                                      |               |                 |                   |                 |                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------|-------------------|-----------------|--------------------|
| Details                                                                                                                                                                                                    | 2011/12       | 2012/13         |                   |                 |                    |
|                                                                                                                                                                                                            | Actual        | Original Budget | Adjustment Budget | Actual          | Variance to Budget |
|                                                                                                                                                                                                            |               |                 |                   |                 |                    |
| <b>Total Operational Revenue</b>                                                                                                                                                                           | <b>1 940</b>  | <b>1 650</b>    | <b>2 100</b>      | <b>1 655</b>    | <b>0</b>           |
| Expenditure:                                                                                                                                                                                               |               |                 |                   |                 |                    |
| Employees                                                                                                                                                                                                  | -3 921        | (15 510)        | (15 951)          | (18 031)        | 16%                |
| Repairs and Maintenance                                                                                                                                                                                    | -91           | (1 325)         | (1 332)           | (352)           | -73%               |
| Other                                                                                                                                                                                                      | -1 065        | (6 738)         | (6 594)           | (2 943)         | -56%               |
| <b>Total Operational Expenditure</b>                                                                                                                                                                       | <b>-5 077</b> | <b>(23 573)</b> | <b>(23 877)</b>   | <b>(21 326)</b> | <b>-10%</b>        |
| <b>Net Operational Expenditure</b>                                                                                                                                                                         | <b>-3 137</b> | <b>(21 923)</b> | <b>(21 777)</b>   | <b>(19 671)</b> | <b>-10%</b>        |
| <p><i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i></p> <p>T 3.2.8</p> |               |                 |                   |                 |                    |

# Chapter 3

**Table 110: Capital Expenditure – Sport and Recreation**

| Capital Expenditure 2012/13: : Sport and Recreation                                                                                             |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000                                                                                                                                          |         |                   |                    |                               |                     |
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |         |                   |                    |                               |                     |
| No capital projects were budgeted for sport and recreation                                                                                      |         |                   |                    |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |
| T 3.2.9                                                                                                                                         |         |                   |                    |                               |                     |

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

**No capital projects were budgeted for sport and recreation.**

T3.23.6

# Chapter 3

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

This component includes the Executive Office, financial services, human resource services, ICT and legal and property services.

T3.24

## 3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

### INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive Mayor exercises overall political responsibility for sound governance and service delivery, whilst the Office of the Speaker is mainly responsible for public participation, ward committees and managing Council and Committee meetings.

The Municipal Manager is the accounting officer of the municipality and reports to the Executive Mayor and Council. Top service delivery priorities included:

- Establishment of sound corporate governance system of internal audit and risk management
- developing improved systems to ensure optimal institutional efficiency
- ensuring the financial health of the municipality

T3.24.1

# Chapter 3

Table 111: Executive and Council Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                                  | Baseline: 2011/12   | Annual target: 2012/13   | Actual performance: 30 June 2013 | Reasons for non- or under-performance                           | Corrective measures taken or to be taken               |
|-----------------------------------------------------------------------------|---------------------|--------------------------|----------------------------------|-----------------------------------------------------------------|--------------------------------------------------------|
| 18.1 Number of Functional Ward Committees established (OS)                  | 21                  | 21                       | Target Achieved                  | Not Applicable                                                  | Not Applicable                                         |
| 18.2 Number of CDW's deployed in all 21 wards (OS)                          | 21                  | 21                       | Target not Achieved (18 CDWs)    | Delay by CoGTA/Premier Office to finalize appointment of 3 CDWs | Escalate the process to the highest level/Office( HOD) |
| 18.3 Number of ward committees trained on identified core skills areas (OS) | 0                   | 21                       | Target not Achieved              | Delays in appointing Service Provider                           | To advertise a tender by end of September 2013         |
| 18.4 Number of quarterly (monthly) community meetings held per ward (OS)    | 3 meetings per ward | 4 per ward <sup>38</sup> | Target Achieved                  | Not Applicable                                                  | Not Applicable                                         |

<sup>38</sup>One meeting per ward per quarter

# Chapter 3

| Key Performance Indicators                                                                                                | Baseline: 2011/12              | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance         | Corrective measures taken or to be taken                           |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------------|
| 18.5 Number of skills programmes implemented for burial societies, stokvels, religious groups, etc. (OEM)                 | Compile database of activities | 2 per annum            | <b>Target not Achieved</b>       | Lack of assistance from external Stakeholders | To fast track the implementation process by end of September 2013. |
| 18.6 Number of monthly updates of municipal website completed (OMM)                                                       | 12 updates                     | 12 updates             | <b>Target Achieved</b>           | Not Applicable                                | Not Applicable                                                     |
| 18.7 Number of newsletters produced and published (OMM)                                                                   | 3                              | 6                      | <b>Target not Achieved</b>       | Delays in appointing Service Provider         | To fast track the process of appointing Service Provider           |
| 18.8 Number of interactions arranged with the print and electronic media (OMM/OEM)                                        | 12                             | 12                     | <b>Target Achieved</b>           | Not Applicable                                | Not Applicable                                                     |
| 18.9 Number of quarterly interactions held with relevant municipal and community stakeholders (business, religious, etc.) | 4                              | 4                      | <b>Target not Achieved</b>       | Due to unresolved labour issues               | To ensure implementation by end of Sept. 2013                      |

# Chapter 3

| Key Performance Indicators                                                                                                                                    | Baseline: 2011/12                  | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------|----------------------------------|---------------------------------------|------------------------------------------|
| 19.1 % of credible 5-Year IDP compiled according to CoGTA guidelines                                                                                          | 100%                               | 0%                     | Not applicable                   | Not applicable                        | Not applicable                           |
| 19.2 % of annual review of approved 5-year IDP conducted in terms of MSA and MFMA (Annual Revised IDP must be adopted by Council by the end of May each year) | 0%                                 | 100% (First Review)    | Target Achieved                  | Not applicable                        | Not applicable                           |
| 19.3 % of compliant annual SDBIP approved within 28 days after the approval of the budget                                                                     | 90%                                | 100%                   | Target Achieved                  |                                       |                                          |
| 19.4 % of approved posts filled in internal audit unit (6 posts in total)                                                                                     | 33.3% (50% achieved) <sup>39</sup> | 66.6% <sup>40</sup>    | 0% (On target)                   | Not applicable                        | Not applicable                           |

<sup>39</sup>3 posts filled in total

<sup>40</sup>Filling of one critical post of Senior Internal Auditor

# Chapter 3

| Key Performance Indicators                                                                           | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013   | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|------------------------------------------------------------------------------------------------------|-------------------|------------------------|------------------------------------|---------------------------------------|------------------------------------------|
| <b>19.5 % of annual performance assessment of internal audit function by the audit committee</b>     | 0%                | 100% <sup>41</sup>     | <b>100%<br/>(On target)</b>        | Not applicable                        | Not applicable                           |
| <b>19.6 % of annual internal audit plan approved by audit committee before end of June each year</b> | 70%               | 100% <sup>42</sup>     | <b>1000%<br/>(On target)</b>       | Not applicable                        | Not applicable                           |
| <b>19.7 % execution of annual internal audit plan</b>                                                | 100%              | 100% <sup>43</sup>     | <b>95%<br/>Target not achieved</b> | Lack of fund to co source IT audit    | Planned for 2013/14 FY                   |
| <b>19.8 % of three-year rolling coverage plan developed and approved</b>                             | 100%              | 100%                   | <b>100%<br/>Target achieved</b>    | Not applicable                        | Not applicable                           |

<sup>41</sup>AC must develop assessment tool and submit assessment report to Council

<sup>42</sup>2013/14 internal audit plan must be submitted to audit committee for approval before the end of June 2013

<sup>43</sup>Quarterly progress reports by Internal Audit must be submitted to the AC

# Chapter 3

| Key Performance Indicators                                                                           | Baseline: 2011/12               | Annual target: 2012/13                       | Actual performance: 30 June 2013 | Reasons for non- or under-performance              | Corrective measures taken or to be taken             |
|------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------|----------------------------------|----------------------------------------------------|------------------------------------------------------|
| 19.9 Number of audit committees held per annum                                                       | 4                               | 4                                            | Target achieved                  | Not applicable                                     | Not applicable                                       |
| 19.10 % review of audit charters completed annually (reviewed charters must be approved by the Audit | 100%                            | 100%                                         | 0%<br>(On target)                | Not applicable                                     | Not applicable                                       |
| 19.11 % of approved funded posts filled in risk management unit (2 posts)                            | 100%<br>(Actual: 1 post filled) | 100%<br>(2 posts to be filled) <sup>44</sup> | Target achieved                  | Post advertised and appointments still outstanding | Appointment of the Risk Coordinator by December 2013 |
| 19.12 % review of risk management strategy & policy (approved by risk management committee)          | 50%                             | 100%                                         | Target achieved                  | Not Applicable                                     | Not Applicable                                       |

<sup>44</sup>Additional post of Risk Coordinator to be filled by January 2013 (Beginning of Quarter 3)



# Chapter 3

| Key Performance Indicators                                                             | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance                                                                                                                     | Corrective measures taken or to be taken                                                                               |
|----------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| 19.13 % of risk register compiled and updated quarterly                                | 100%              | 100%                   | <b>Target not achieved</b>       | Report delayed due to non-cooperation with departments                                                                                                    | Appointment of risk champions within respective departments with the coordination of risk information. Perform risk    |
| 19.14 Number of risk management committee (RMC) meetings held                          | 3                 | 4                      | <b>Target achieved</b>           |                                                                                                                                                           | Appointment of the risk committee chairperson by Council by 31 March 2013                                              |
| 19.15 % of approved fraud prevention and anti-corruption strategy annually reviewed    | 90%               | 100%                   | <b>Target achieved</b>           |                                                                                                                                                           | Approval of the strategy by 31 January 2013                                                                            |
| 19.16 % of approved fraud prevention and anti-corruption strategy annually implemented | 0%                | 25%                    | <b>Target not achieved</b>       | Training sessions still outstanding after review and approval of the plan. Hotline number placement still outstanding due to the migration of the website | Training sessions of the plan and policies by September 2013. Placement of the hotline number on the municipal website |

# Chapter 3

| Key Performance Indicators                                                                                   | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013                                                    | Reasons for non- or under-performance        | Corrective measures taken or to be taken                                                                             |
|--------------------------------------------------------------------------------------------------------------|-------------------|------------------------|-------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| 19.17 Fully functional Local Labour Forum (LLF) established ( <i>no. of meetings held per annum</i> )(DCS)   | 6                 | 11 <sup>45</sup>       | <b>Target not Achieved</b>                                                          | Due Unconducive Labour relations environment | Adhere to the meeting per approved schedule. Also rebuild/strengthen the relations between Employer & Labour Unions. |
| 19.18 % implementation of LLF resolutions taken (including monitoring of SALGBC collective agreements) (DCS) | 85%               | 100% <sup>46</sup>     | <b>Target Achieved</b><br>(Undertaking signed to prioritize res. To be implemented) | Not Applicable                               | Not Applicable                                                                                                       |
| 19.19 % of organisational PMS policy aligned to IDP approved and implemented                                 |                   | 100%                   | <b>Target not Achieved</b>                                                          | Delay in approving policy for implementation | Ensure approval of the policy by Council by end Sept. 2013.                                                          |

<sup>45</sup>Monthly meetings except for January

<sup>46</sup>Progress reports on the implementation of LLF resolutions and SALGBC collective agreements to be submitted to monthly meetings. Q1 to Q4:Major issues; Submit policy to LLF; Finalize Org Structure; Address Salary disparity issue.

# Chapter 3

| Key Performance Indicators                                                                                                 | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance        | Corrective measures taken or to be taken                    |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|----------------------------------------------|-------------------------------------------------------------|
| 19.20 % of functional municipal performance audit committee established ( <i>part of terms of reference of audit</i> )     | 100%              | 100%                   | 100%<br>Target achieved          |                                              |                                                             |
| 19.21 % of compliant performance agreements for MM and managers directly accountable compiled and signed on time (NKPI: 2) | 75%               | 100%                   | On Target                        | Not Applicable                               | Not Applicable                                              |
| 19.22 % of Employee PM&D policy approved and annually reviewed (DCS)                                                       | 0%                | 100%                   | Target not Achieved              | Delay in approving policy for implementation | Ensure approval of the policy by Council by end Sept. 2013. |
| 19.23 % of PMS cascaded to all levels of employees in the municipality <sup>47</sup> (DCS)                                 | 0%                | 20%                    | Target not Achieved              | Delay in approving policy for implementation | Ensure approval of the policy by Council by end Sept. 2013. |

<sup>47</sup>PMS first to be cascaded to middle management levels 1 to 4

# Chapter 3

Table 112: Employees – Executive and Council

| Employees: Executive and Council |           |         |           |                                  |                                   |
|----------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                        | 2011/12   | 2012/13 |           |                                  |                                   |
|                                  | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                  | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                            | 5         | 9       | 6         | 3                                | 33                                |
| 4 - 6                            | 8         | 16      | 8         | 8                                | 50                                |
| 7 - 9                            | 4         | 9       | 4         | 5                                | 56                                |
| 10 - 12                          | 0         | 0       | 0         | 0                                | 0                                 |
| 13 - 15                          | 0         | 1       | 0         | 1                                | 100                               |
| 16 - 18                          | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                          | 0         | 0       | 0         | 0                                | 0                                 |
| Total                            | 17        | 35      | 18        | 17                               | 48                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 113: Financial Performance – Executive and Council

| Financial Performance 2012/13: Executive and Council |         |                 |                   |         |                    |
|------------------------------------------------------|---------|-----------------|-------------------|---------|--------------------|
|                                                      |         |                 |                   |         | R'000              |
| Details                                              | 2011/12 | 2012/13         |                   |         |                    |
|                                                      | Actual  | Original Budget | Adjustment Budget | Actual  | Variance to Budget |
| Total Operational Revenue                            | 0       | 500             | 500               | 0       | 0                  |
| Expenditure:                                         |         |                 |                   |         |                    |
| Employees                                            | -19 239 | -16 840         | -17 160           | -19 239 | 12.46%             |
| Repairs and Maintenance                              | -4      | -43             | -43               | -4      | -975%              |
| Other                                                | -5 834  | -6 759          | -6 817            | -5 834  | -15.85%            |
| Total Operational Expenditure                        | -25 077 | -23 642         | -24 020           | -25 077 | 5.72%              |
| Net Operational Expenditure                          | -25 077 | -23 142         | -23 520           | -25 077 | 7.71%              |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

-25 077

# Chapter 3

-25 077

-23 14

**Table 114: Capital Expenditure – Executive Council**

| Capital Expenditure 2012/13: : Executive Council                                                                                                |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |         |                   |                    |                               |                     |
| No capital projects were budgeted for Executive Council                                                                                         |         |                   |                    |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |
| T 3.2.9                                                                                                                                         |         |                   |                    |                               |                     |

## COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

No capital projects were budgeted for during the 2012/13 financial year T3.24.7

# Chapter 3

## 3.25 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

The main objective of the finance department is to provide a comprehensive and sound financial management service to the municipality. The strategic objectives of the department are the following:

- Budget preparation, implementation and monitoring;
- Asset management;
- Credit control and debt collection;
- Indigent management;
- Supply Chain Management;
- Revenue and Expenditure management.

T3.25.1

Table 115: Debt Recovery

| Debt Recovery                                        |                                    |                                                                       |                |                                    |                                                           |                                               |                                                               |
|------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------|----------------|------------------------------------|-----------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------|
| R' 000                                               |                                    |                                                                       |                |                                    |                                                           |                                               |                                                               |
| Details of the types of account raised and recovered | 2011/12                            |                                                                       | 2012/13        |                                    |                                                           | 2013/14                                       |                                                               |
|                                                      | Actual for accounts billed in year | Proportion of accounts value billed that were collected in the year % | Billed in Year | Actual for accounts billed in year | Proportion of accounts value billed that were collected % | Estimated outturn for accounts billed in year | Estimated Proportion of accounts billed that were collected % |
| Property Rates                                       | 86 652                             |                                                                       | 92 485         | 92 485                             |                                                           | 93 932                                        |                                                               |
| Electricity - B                                      |                                    |                                                                       |                |                                    |                                                           |                                               |                                                               |
| Electricity - C                                      | 139 120                            |                                                                       | 164 079        | 164 079                            |                                                           | 201 404                                       |                                                               |
| Water - B                                            |                                    | 90.2%                                                                 |                |                                    | 84.4%                                                     |                                               | 88%                                                           |
| Water - C                                            | 141 717                            |                                                                       | 159 701        | 159 701                            |                                                           | 186 539                                       |                                                               |
| Sanitation                                           | 18 996                             |                                                                       | 19 990         | 19 990                             |                                                           | 31 937                                        |                                                               |
| Refuse                                               | 25 259                             |                                                                       | 27 526         | 27 526                             |                                                           | 44 491                                        |                                                               |
| Other                                                |                                    |                                                                       |                |                                    |                                                           |                                               |                                                               |

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

T 3.25.2

# Chapter 3

The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

*T3.25.2.1*

DRAFT

# Chapter 3

**Table 116: Financial Service Policy Objectives taken from IDP/SDBIP**

| Key Performance Indicators                                                                           | Baseline: 2011/12 | Annual target: 2012/13              | Actual performance: 30 June 2013            | Reasons for non- or under-performance                          | Corrective measures taken or to be taken                        |
|------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------|---------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|
| <b>22.1 Ratio of net current consumer debtors to annual property rates and service charge income</b> | 12.5%             | 75% (adjust to 12.5%) <sup>48</sup> | <b>8.08</b><br><b>Target not achieved</b>   | No effective credit controls be taken due to unrest and strike | Operation Patala                                                |
| <b>22.2 Annual property rates and service charges more than 50% of total revenue</b>                 | 71%               | 76% (adjusted to 72%) <sup>49</sup> | <b>Target Exceeded</b><br><b>82.32%</b>     | Not applicable                                                 | Not applicable                                                  |
| <b>22.3 % of consumer debtors revenue collected</b>                                                  | 85%               | 90% <sup>50</sup>                   | <b>Target no achieved</b><br><b>84.4%</b>   | No effective credit controls be taken due to unrest and strike | Operation Patala                                                |
| <b>22.4 % reduction of consumer debtors older than 90-days (Balance as at 30 June 2010: R229m)</b>   | -10%              | -10% <sup>51</sup>                  | <b>Target not achieved</b><br><b>+2.14%</b> | Credit control Policy not implemented in all areas             | Operation Patala to be launch to improve our revenue collection |

<sup>48</sup>Targets adjusted in accordance with the 2010/11 audited figures (baseline)

<sup>49</sup>Targets adjusted in accordance with the 2010/11 audited figures (baseline)

<sup>50</sup>Actual total collections as a percentage of total levies/billings

<sup>51</sup>Achievement of target is dependent on the implementation of the revenue enhancement strategy



# Chapter 3

| Key Performance Indicators                                                                | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013       | Reasons for non- or under-performance                                                          | Corrective measures taken or to be taken                                                           |
|-------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| 22.5 % actual revenue generated as a percentage of the approved/adjusted budget           | 98%               | 98%                    | Target not Achieved<br>85.6%           | Not all customers being billed for services (refuse/ sewer)<br>Business demand meters          | Engage the Social services and Technical services departments to assist with the information. Data |
| 22.6 % of revenue management strategy compiled and implemented                            | 95%               | 96%                    | <b>Target not Achieved</b><br>0%       | Data clean up delay due to capacity.                                                           | Launch of Operation Patala                                                                         |
| 22.7 % of cash management and investment policy framework compiled and approved           | 90%               | 100% <sup>52</sup>     | <b>Target not achieved</b>             | Draft policy has been compiled but not yet submitted to Council<br>Investment policy submitted | Reports will be submitted to Council                                                               |
| 23.1 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget | 40%               | 60%                    | <b>63.4%</b><br><b>Target Exceeded</b> | Not Applicable                                                                                 | Not Applicable                                                                                     |

<sup>52</sup>Policy to be aligned to NT regulations

# Chapter 3

| Key Performance Indicators                                                                 | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013                                                                                       | Reasons for non- or under-performance                                                                                                                                                                | Corrective measures taken or to be taken                                                    |
|--------------------------------------------------------------------------------------------|-------------------|------------------------|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 23.2 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget | 91%               | 94% <sup>53</sup>      | <b>Target not Achieved</b><br><b>(72.9%)</b><br><b>21.09%</b><br><b>(83.65%)</b><br><b>10.35% without depreciation</b> | Bulk purchase of water and electricity is only for 11 months. Loan cost and finance charges are not done as financing is not taken up. Government Garage expenditure only allocated in January 2012. | Government Garage expenditure to be allocated.<br>Provision for creditors still to be done. |
| 23.3 % actual expenditure on repairs and maintenance as a percentage of the                | 5%                | 5%                     | <b>3.29%</b><br><b>1.17%</b>                                                                                           | Road maintenance: tar roads under-spent by R15m due to cash flow constraints                                                                                                                         | Contribution for leave. Innn<br>Annual target to be adjusted to 4%                          |
| 23.4 % of MSIG allocation spent                                                            | 100%              | 100% <sup>54</sup>     | <b>Target Exceeded</b><br><b>25%</b>                                                                                   | Not Applicable                                                                                                                                                                                       | Not Applicable                                                                              |

<sup>53</sup>CFO has a financial reporting responsibility and user departments must provide explanations of actual deviations

<sup>54</sup>2012/13 DoRA allocation is R1 million

# Chapter 3

| Key Performance Indicators                                                                                                | Baseline: 2011/12    | Annual target: 2012/13 | Actual performance: 30 June 2013             | Reasons for non- or under-performance                                                                                                              | Corrective measures taken or to be taken                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>23.5 % of creditors paid within 30 days of receipt of invoice</b>                                                      | No actuals available | 100%                   | <b>Target not Achieved</b><br><b>85%</b>     | Invoices are not submitted in time to Finance. Statements are received late from creditors. Sundry payments are made that influence the cash flow. | All Invoices that are more than 30 days outstanding will be prioritised .Reasons for late payments of invoices will be recorded and reported to Senior Management |
| <b>23.6 % of compliance with approved SCM policy</b>                                                                      | 100%                 | 100% <sup>55</sup>     | <b>Target not Achieved</b><br><b>50 %</b>    | Delays in the advertisement of posts. Lack of staff Capacity                                                                                       | Appointment of SCM intern and the filling of vacancies                                                                                                            |
| <b>23.7 Tender turnaround time maintained for bids below R30 000/based on quotations obtained from supplier database)</b> | No actual data       | 14 days <sup>56</sup>  | <b>Target not Achieved</b><br><b>14 days</b> | Delays in the advertisement of posts .Lack of staff Capacity                                                                                       | Appointment of SCM intern and consider filling the vacancies.                                                                                                     |

<sup>55</sup>Subject to additional capacity & processes being initiated and managed by SCM unit

<sup>56</sup>Subject to additional capacity & processes being initiated and managed by SCM unit

# Chapter 3

| Key Performance Indicators                                                                                                                                               | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013                       | Reasons for non- or under-performance                                                             | Corrective measures taken or to be taken                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 23.8 Tender turnaround time maintained for bids <u>between R30 000 and R200 000</u> ( <i>advertise for 7 days and evaluate based on BBBEE preferential procurement</i> ) | No actual data    | 21 days <sup>57</sup>  | <b>Target not Achieved</b><br><b>More than 21 days</b> | Delays in the advertisement of posts. Lack of staff Capacity                                      | Appointment of SCM intern and consider filling the vacancies.                                                      |
| 23.9 Tender turnaround time maintained for bids <u>above R200 000</u> ( <i>competitive bidding process</i> )                                                             | No actual data    | 90 days <sup>58</sup>  | <b>Target not Achieved</b><br><b>More than 90days</b>  | Delays in the advertisement of posts. Lack of staff Capacity<br>Bid Committee members not sitting | Appointment of SCM intern and consider filling the vacancies.<br>Schedule of dates for committees to sit according |
| 23.10 % compliance maintained with approved SCM policy and procedures (elimination of                                                                                    | 100%              | 100%                   | <b>Target not Achieved</b><br><b>50%</b>               | Delays in the advertisement of posts. Lack of staff Capacity                                      | Training for all departments on the Supply Chain Policies and procedures.                                          |

<sup>57</sup>Subject to additional capacity & processes being initiated and managed by SCM unit

<sup>58</sup>Subject to additional capacity & processes being initiated and managed by SCM unit

# Chapter 3

| Key Performance Indicators                                                                                                 | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance                                                                                  | Corrective measures taken or to be taken      |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 24.1 % of compliant annual budget (MTREF) compiled and approved by end of May each year <sup>59</sup>                      | 100%              | 100%                   | 100%<br>Target achieved          | Not applicable                                                                                                         | Not applicable                                |
| 24.2 % of budget-related policies developed, reviewed and approved as per National Treasury and MFMA requirements          | 100%              | 100%                   | 80%<br>Target Achieved           | Tariff policy, Credit Control Policy, Indigent Policy and Property Rates Policy were revised.<br>Virement Policy draft | All policies must be revised.                 |
| 24.3 % of monthly budget statements are compiled and submitted to the Mayor by no later than 10 working days after the end | 50%               | 100%                   | 100%<br>Target Achieved          | Not applicable                                                                                                         | Not applicable                                |
| 24.4 % of monthly National Treasury returns submitted on time                                                              | 100%              | 100%                   | 100%<br>Target Achieved          | Not applicable /a                                                                                                      | All returns have since been submitted on time |

<sup>59</sup>In terms of MFMA Section 24(1), Council must consider approval of the annual budget at least 30 days before the start of the budget year

<sup>60</sup>In terms of MFMA Section 71

# Chapter 3

| Key Performance Indicators                                                                                         | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance      | Corrective measures taken or to be taken |
|--------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|--------------------------------------------|------------------------------------------|
| 24.5 % of quarterly National Treasury returns submitted on time                                                    | 100%              | 100%                   | 100%<br>Target Achieved          | Not applicable                             | Not applicable                           |
| 24.6 % of DoRA returns submitted on time                                                                           | 100%              | 100%                   | 100%<br>Target Achieved          | Not applicable                             | Not applicable                           |
| 24.7 % of mid-year budget and performance assessment report submitted by 25 January each year <sup>61</sup>        | 100%              | 100%                   | 0%<br>On Target                  | Not applicable                             | Not applicable                           |
| 25.1 % of Clean Audit action plan compiled, approved and implemented                                               | 0%                | 70%                    | 34%<br>Target not achieved       | Action Plan compiled, lack of co-operation | Action Plan meetings held                |
| 25.2 % of Annual Financial Statement submitted to the Auditor-General by the end of August each year <sup>62</sup> | 100%              | 100%                   | 100%<br>Target Achieved          | Not applicable                             | Not applicable                           |

<sup>61</sup>In terms of MFMA Section 72 the report must be submitted to the Mayor by 25 January each year

<sup>62</sup>In terms of MFMA Section 126(1) within two months after the end of the financial year

# Chapter 3

| Key Performance Indicators                                                                                       | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013                                | Reasons for non- or under-performance                                                | Corrective measures taken or to be taken |
|------------------------------------------------------------------------------------------------------------------|-------------------|------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------|
| 25.3 Actual improvement in annual audit outcomes received from the Auditor-General                               | Qualified         | Un-qualified           | 100%<br>Target Achieved<br>(2012/13 qualified opinion received) | Not applicable                                                                       | Not applicable                           |
| 25.4 % of the Action Plan on issues raised by the Auditor-General is compiled, approved and implemented annually | 70%               | 90%                    | 75%<br>Target not achieved                                      | Action Plan compiled, lack of co-operation<br>Reports submitted to senior management | Reports to be submitted                  |
| 25.5 % internal audit recommendations implemented within specified time frames                                   | 50%               | 100%                   | 100%<br>Target Achieved                                         | Not applicable                                                                       | Not applicable                           |
| 25.6 % of PROPAC resolutions implemented annually (OMM)                                                          | 100%              | 100%                   | 100%<br>Target Achieved                                         | Not applicable                                                                       | Not applicable                           |
| 26.1 % of Fixed Asset Register (FAR) compiled and updated annually in line with GRAP requirements                | 100%              | 100%                   | Target not Achieved                                             | Not Applicable                                                                       | Not Applicable                           |

# Chapter 3

| Key Performance Indicators                                                                       | Baseline:<br>2011/12 | Annual target: 2012/13 | Actual performance:<br>30 June 2013 | Reasons for non- or under-<br>performance | Corrective measures taken<br>or to be taken |
|--------------------------------------------------------------------------------------------------|----------------------|------------------------|-------------------------------------|-------------------------------------------|---------------------------------------------|
| 26.2 % of asset maintenance and replacement plans developed and updated annually (DTIS, DSS&DCS) | 100%                 | 100%                   | Target not Achieved                 |                                           |                                             |



# Chapter 3

Table 117: Employees – Financial Services

| Employees: Financial Services |           |         |           |                                  |                                   |
|-------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                     | 2011/12   | 2012/13 |           |                                  |                                   |
|                               | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                               | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                         | 5         | 6       | 5         | 1                                | 17                                |
| 4 - 6                         | 5         | 10      | 5         | 5                                | 50                                |
| 7 - 9                         | 21        | 51      | 19        | 32                               | 62                                |
| 10 - 12                       | 20        | 33      | 18        | 17                               | 51                                |
| 13 - 15                       | 29        | 29      | 28        | 1                                | 03                                |
| 16 - 18                       | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                       | 0         | 0       | 0         | 0                                | 0                                 |
| Total                         | 80        | 129     | 75        | 54                               | 41                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 118: Financial Performance – Financial Services

| Financial Performance 2012/13: : Financial Services |          |                 |                   |           |                    |
|-----------------------------------------------------|----------|-----------------|-------------------|-----------|--------------------|
|                                                     |          |                 |                   |           | R'000              |
| Details                                             | 2011/12  | 2012/13         |                   |           |                    |
|                                                     | Actual   | Original Budget | Adjustment Budget | Actual    | Variance to Budget |
| Total Operational Revenue                           | 143 236  | 143 542         | (142 646)         | (140 276) | -2%                |
| Expenditure:                                        |          |                 |                   |           |                    |
| Employees                                           | (17 204) | (25 535)        | (25 485)          | (16 938)  | -34%               |
| Repairs and Maintenance                             | (51)     | (46)            | (96)              | (94)      | 104%               |
| Other                                               | (18 755) | (6 856)         | (3 043)           | (19 430)  | 183%               |
| Total Operational Expenditure                       | (36 010) | (32 437)        | (28 624)          | (36 462)  | 12%                |
| Net Operational Expenditure                         | 107 226  | 111 105         | 114 022           | 103 814   | -7%                |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

# Chapter 3

Table 119: Capital Expenditure – Financial Services

| Capital Expenditure 2012/13: : Financial Services                                                                                               |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       | 546     | 546               | 200                |                               |                     |
| Project A: Upgrading pay points                                                                                                                 | 500     | 284               | 198                |                               |                     |
| Project B: Equipment                                                                                                                            | 46      | 46                | 21                 |                               |                     |
| Project C:                                                                                                                                      |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |

R' 000

T 3.2.9

## COMMENT ON THE PERFORMANCE OFFINANCIAL SERVICESOVERALL:

The major capital projects were the upgrading of pay points and the purchasing of equipment.

T3.25.7

# Chapter 3

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

Human resources are the primary investment for the municipality and the municipality endeavour to maintain its investment in its staff hence the municipality is in the process of recruitment of qualified individuals in line with the critical posts identified, organizational structure review, training of staff members as per the annual Workplace Skills Plan (WSP), comprehensive capacity building program for Councillors and a sound and conducive labour relations environment.

T3.26.1

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The main service statistics in relation to employee totals, skills development, leave, etc. are included in Chapter 3 of the Annual Report.

T3.26.2

# Chapter 3

Table 120: Human Resource Services Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                                                                                                                                | Baseline: 2011/12 | Annual Target    | Actual performance: 30 June 2013 | Reasons for non- or under-performance     | Corrective measures taken or to be taken                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|----------------------------------|-------------------------------------------|------------------------------------------------------------------------------|
| 28.1 % of critical posts filled by suitably qualified individuals ( <i>appointees meeting 80-100% of job requirements</i> ) subject to approved budget ( <i>NKPI: 1</i> ) | 100%              | 100% (150 posts) | <b>Target not Achieved</b>       | Delay in process of appointments (Phases) | Fast tracking finalizing or filling all critical posts by end of Sept. 2013. |
| 28.2 Turnaround time maintained on recruitment: funded vacancies                                                                                                          | 66 working days   | 60 working days  | <b>Target Achieved</b>           | Not Applicable                            | Not Applicable                                                               |
| 28.3 % of organisational structure compiled and reviewed annually                                                                                                         | 90%               | 100%             | <b>Not Applicable</b>            | Not Applicable                            | Not Applicable                                                               |

# Chapter 3

| Key Performance Indicators                                                                                                                    | Baseline: 2011/12 | Annual Target      | Actual performance: 30 June 2013 | Reasons for non- or under-performance                                                 | Corrective measures taken or to be taken                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|----------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------|
| 28.4 % of workplace skills plan (WSP) and annual training report (ATR) compiled and submitted annually to the LGSETA by end of June each year | 100%              | 100% <sup>63</sup> | Target Achieved                  | Not Applicable                                                                        | Not Applicable                                              |
| 28.5 % of categories of staff trained as per WSP targets on an annual basis                                                                   | 80%               | 100%               | Target Achieved                  | Not Applicable                                                                        | Not Applicable                                              |
| 28.6 % of employment equity (EE) plan and report compiled and submitted annually to the Department                                            | 100%              | 100% <sup>64</sup> | Not Applicable                   | Not Applicable                                                                        | Not Applicable                                              |
| 28.7 % implementation of EE plan as per approved targets and measures                                                                         | 95%               | 100%               | Target not Achieved              | Delay in recruitment processes, Due to prioritization of critical posts to be filled. | Consider EE plan Targets when recruiting by end Sept. 2013. |

<sup>63</sup>Submission of Final 2012/13 Annual Training Report (ATR) and 2013/14 Workplace Skills Plan (WSP) to the LGSETA by end of June 2012

<sup>64</sup>Submission of Final EE Plan and Report to Dept. of Labour by end of October 2012

# Chapter 3

| Key Performance Indicators                                                                                                     | Baseline: 2011/12 | Annual Target | Actual performance: 30 June 2013                          | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|-----------------------------------------------------------|---------------------------------------|------------------------------------------|
| 28.8 % of human resource-related policies compiled and reviewed annually if                                                    | 90%               | 90%           | Target Achieved/Outstanding Policies approved in Feb 2013 | Not Applicable                        | Not Applicable                           |
| 28.9 % of disputes and grievances (stage 1 to 3) handled in terms of the collective agreement (turnaround time within 90 days) | 90%               | 100%          | Target Achieved                                           | Not Applicable                        | Not Applicable                           |
| 29.1 Number of organisation development interventions implemented annually                                                     | 0                 | 2             | Not Applicable                                            | Not Applicable                        | Not Applicable                           |
| 29.2 % of service excellence awards finalised by end of November each year                                                     | 95%               | 100%          | Not Applicable                                            | Not Applicable                        | Not Applicable                           |
| 29.3 % of annual council programme compiled and                                                                                | 100%              | 100%          | Not Applicable                                            | 100%                                  | Not Applicable                           |
| 29.4 % of Integrated Document Management System implemented                                                                    | 50%               | 100%          | Not Applicable                                            | Not Applicable                        | Not Applicable                           |
| 29.5 % of agendas for council, mayoral committee and portfolio committees                                                      | 90%               | 100%          | Target Achieved                                           | Not Applicable                        | Not Applicable                           |

# Chapter 3

| Key Performance Indicators                                                                                                                                  | Baseline:<br>2011/12 | Annual Target   | Actual performance:<br>30 June 2013 | Reasons for non- or under-<br>performance                   | Corrective measures taken or to be taken           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|-------------------------------------|-------------------------------------------------------------|----------------------------------------------------|
| 29.6 Number of quarterly reports to Council on the tracking of council resolutions <i>(submitted at the end of each quarter - Sept, Dec, Mar &amp; Apr)</i> | 0%                   | 4 <sup>65</sup> | Target not Achieved                 | System not programmed according to Departmental requirement | System review to be finalized by end of Sept. 2013 |

<sup>65</sup>Committee Services section to coordinate the updating and submission of quarterly resolutions tracking reports to Council

# Chapter 3

Table 121: Employees – Human Resource Services

| Employees: Human Resource Services |           |         |           |                                  |                                   |
|------------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                          | 2011/12   | 2012/13 |           |                                  |                                   |
|                                    | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                    | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                              | 1         | 2       | 1         | 1                                | 50                                |
| 4 - 6                              | 6         | 12      | 5         | 7                                | 58                                |
| 7 - 9                              | 1         | 3       | 2         | 1                                | 33                                |
| 10 - 12                            | 2         | 1       | 0         | 1                                | 100                               |
| 13 - 15                            | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                            | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                            | 0         | 0       | 0         | 0                                | 0                                 |
| Total                              | 10        | 18      | 8         | 10                               | 55                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 122 Financial Performance – Human Resource Services

| Financial Performance 2012/13: : Human Resource Services |                |                 |                   |                |                    |
|----------------------------------------------------------|----------------|-----------------|-------------------|----------------|--------------------|
|                                                          |                |                 |                   |                | R'000              |
| Details                                                  | 2011/12        | 2012/13         |                   |                |                    |
|                                                          | Actual         | Original Budget | Adjustment Budget | Actual         | Variance to Budget |
| <b>Total Operational Revenue</b>                         | <b>98</b>      | <b>231</b>      | <b>414</b>        | <b>224</b>     | <b>-3%</b>         |
| Expenditure:                                             |                |                 |                   |                |                    |
| Employees                                                | (3 088)        | (3 349)         | (3 349)           | (3 196)        | -5%                |
| Repairs and Maintenance                                  | 0              | (11)            | 0                 | 0              | -100%              |
| Other                                                    | (1 672)        | ((1 993)        | (2 003)           | 1 867          | 0                  |
| <b>Total Operational Expenditure</b>                     | <b>(1 416)</b> | <b>(5 353)</b>  | <b>(5 352)</b>    | <b>(1 329)</b> | <b>-75%</b>        |
| <b>Net Operational Expenditure</b>                       | <b>(1 318)</b> | <b>(5 122)</b>  | <b>(4 938)</b>    | <b>(1 105)</b> | <b>-78%</b>        |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8



# Chapter 3

Table 123: Capital Expenditure – Human Resource Services

| Capital Expenditure 2011/12: : Human Resource Services                                                                                          |         |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2011/12 |                   |                    |                               |                     |
|                                                                                                                                                 | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       |         |                   |                    |                               |                     |
| Project A                                                                                                                                       |         |                   |                    |                               |                     |
| Project B                                                                                                                                       |         |                   |                    |                               |                     |
| Project C                                                                                                                                       |         |                   |                    |                               |                     |
| Project D                                                                                                                                       |         |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |         |                   |                    |                               |                     |

R' 000

T 3.2.9

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

No capital projects were budgeted for in the 2012/13 financial year.

T3.26.7

# Chapter 3

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT division is responsible for providing effective and efficient ICT services with Metsimaholo Local Municipality. Our main priority is to ensure that ICT services reach all officials and residents within the Municipality.

During 2012/13 Financial year, the focus was on maintenance and ICT governance which resulted in the successful implementation of various operating policies and procedures.

T3.27.1

# Chapter 3

Table 48: ICT Services Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                                                       | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013 | Reasons for non- or under-performance  | Corrective measures taken or to be taken |
|--------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------|----------------------------------------|------------------------------------------|
| 27.4 % of ICT policy compiled, approved and reviewed annually if required                        | 100%              | 100%                   | Target Achieved                  | Not Applicable                         | Not Applicable                           |
| 27.5 % of ICT Steering committee established (Terms of reference and meeting schedule finalised) | 0%                | 100%                   | Target Achieved                  | Not Applicable                         | Not Applicable                           |
| 27.6 Downtime of critical systems reduced to less than 5% of total uptime required               | 5%                | 5%                     | Target not Achieved              | Delay of installing monitoring system. | To ensure monthly submission of reports. |
| 27.8 % of workstations functional and on-line (233 workstations)                                 | 90%               | 91%                    | 91%<br>Target Achieved           | Not Applicable                         | Not Applicable                           |

# Chapter 3

| Key Performance Indicators                                             | Baseline:<br>2011/12 | Annual target: 2012/13 | Actual performance:<br>30 June 2013 | Reasons for non- or under-<br>performance | Corrective measures<br>taken or to be taken                |
|------------------------------------------------------------------------|----------------------|------------------------|-------------------------------------|-------------------------------------------|------------------------------------------------------------|
| 27.9 % of user complaints<br>attended to within 24<br>hours of receipt | 90%                  | 91%                    | 0%<br><br>Target not Achieved       | Lack of Funding                           | Implementation of the<br>system by end of<br>December 2013 |

# Chapter 3

Table 125: Employees – ICT Services

| Employees: ICT Services |           |         |           |                                  |                                   |
|-------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level               | 2011/12   | 2012/13 |           |                                  |                                   |
|                         | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                         | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                   | 2         | 4       | 2         | 2                                | 50                                |
| 4 - 6                   | 3         | 6       | 3         | 3                                | 50                                |
| 7 - 9                   | 0         | 1       | 0         | 1                                | 100                               |
| 10 - 12                 | 1         | 1       | 1         | 0                                | 0                                 |
| 13 - 15                 | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                 | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                 | 0         | 0       | 0         | 0                                | 0                                 |
| Total                   | 6         | 12      | 6         | 6                                | 50                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table126 : Financial Performance – ICT Services

| Financial Performance 2012/13: : ICT Services |         |                 |                   |         |                    |
|-----------------------------------------------|---------|-----------------|-------------------|---------|--------------------|
| R'000                                         |         |                 |                   |         |                    |
| Details                                       | 2011/12 | 2012/13         |                   |         |                    |
|                                               | Actual  | Original Budget | Adjustment Budget | Actual  | Variance to Budget |
| Total Operational Revenue                     | 0       | 0               | 0                 | 0       | 0                  |
| Expenditure:                                  |         |                 |                   |         |                    |
| Employees                                     | -2 406  | (2 639)         | (2 689)           | (2 669) | 1%                 |
| Repairs and Maintenance                       | -413    | (2 600)         | (2 100)           | (1 006) | -61%               |
| Other                                         | -12 246 | (11 907)        | 11 837            | 9 877   | 0                  |
| Total Operational Expenditure                 | -15 065 | (17 146)        | (16 626)          | 13 552  | 0                  |
| Net Operational Expenditure                   | -15 065 | (17 146)        | (16 626)          | 13 552  | 0                  |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the budget.

T 3.2.8

# Chapter 3

Table 497: Capital Expenditure – ICT Services

| Capital Expenditure 2012/13: : ICT Services                                                                                                     |            |                   |                    |                               |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                                                                                                                | 2012/13    |                   |                    |                               |                     |
|                                                                                                                                                 | Budget     | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All                                                                                                                                       | 12 550 000 |                   |                    |                               |                     |
| Project A                                                                                                                                       |            |                   |                    |                               |                     |
| Project B                                                                                                                                       |            |                   |                    |                               |                     |
| Project C                                                                                                                                       |            |                   |                    |                               |                     |
| Project D                                                                                                                                       |            |                   |                    |                               |                     |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). |            |                   |                    |                               |                     |

T 3.2.9

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The division is on maintenance mode and only one major capital project was budgeted for and could not be executed. R 11 m (financial lease) was adjusted to accommodate other commitments of the Municipality.

T3.27.7

# Chapter 3

## 3.28 PROPERTY AND LEGAL SERVICES

This component includes: property and legal services.

### INTRODUCTION TO PROPERTY AND LEGAL SERVICES

This function includes legal administration and contract management.

T3.28.1

# Chapter 3

Table 128: Property and Legal Services Policy Objectives taken from IDP/SDBIP

| Key Performance Indicators                                                                                   | Baseline: 2011/12 | Annual target: 2012/13 | Actual performance: 30 June 2013                                                 | Reasons for non- or under-performance | Corrective measures taken or to be taken |
|--------------------------------------------------------------------------------------------------------------|-------------------|------------------------|----------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|
| 19.18 % implementation of LLF resolutions taken (including monitoring of SALGBC collective agreements) (DCS) | 85%               | 100% <sup>66</sup>     | Target Achieved (Undertaking signed to prioritize resolutions to be implemented) | Not Applicable                        | Not Applicable                           |

<sup>66</sup>Progress reports on the implementation of LLF resolutions and SALGBC collective agreements to be submitted to monthly meetings: Q1 to Q4; Major issues: Submit policy to LLF; Finalize Org Structure; Address Salary disparity issue.



# Chapter 3

**Table 129: Employees – Property and Legal Services**

| Employees: Property and Legal Services |           |         |           |                                  |                                   |
|----------------------------------------|-----------|---------|-----------|----------------------------------|-----------------------------------|
| Job Level                              | 2010/11   | 2011/12 |           |                                  |                                   |
|                                        | Employees | Posts   | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
|                                        | No.       | No.     | No.       | No.                              | %                                 |
| 0 - 3                                  | 1         | 1       | 0         | 0                                | 0                                 |
| 4 - 6                                  | 0         | 2       | 0         | 2                                | 100                               |
| 7 - 9                                  | 0         | 1       | 0         | 1                                | 100                               |
| 10 - 12                                | 0         | 0       | 0         | 0                                | 0                                 |
| 13 - 15                                | 0         | 0       | 0         | 0                                | 0                                 |
| 16 - 18                                | 0         | 0       | 0         | 0                                | 0                                 |
| 19 - 20                                | 0         | 0       | 0         | 0                                | 0                                 |
| Total                                  | 1         | 4       | 0         | 3                                | 75                                |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

**Table 500: Financial Performance – Property and Legal Services**

| Financial Performance 2012/13: : Property and Legal Services |                |                 |                   |                |                    |
|--------------------------------------------------------------|----------------|-----------------|-------------------|----------------|--------------------|
|                                                              |                |                 |                   |                | R'000              |
| Details                                                      | 2010/11        | 2011/12         |                   |                |                    |
|                                                              | Actual         | Original Budget | Adjustment Budget | Actual         | Variance to Budget |
| <b>Total Operational Revenue</b>                             | 0              |                 |                   |                |                    |
| Expenditure:                                                 |                |                 |                   |                |                    |
| Employees                                                    | (609)          | (522)           | (522)             | (425)          | -19%               |
| Repairs and Maintenance                                      | 0              | (5)             | 0                 | 0              | -100%              |
| Other                                                        | (1 721)        | (2 647)         | (2 596)           | (2 543)        | -4%                |
| <b>Total Operational Expenditure</b>                         | <b>(2 330)</b> | <b>(3 174)</b>  | <b>(3 118)</b>    | <b>(2 968)</b> | <b>-6%</b>         |
| <b>Net Operational Expenditure</b>                           | <b>(2 330)</b> | <b>(3 174)</b>  | <b>(3 118)</b>    | <b>(2 968)</b> | <b>-6%</b>         |

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

# Chapter 3

COMMENT ON THE PERFORMANCE OF PROPERTY AND LEGAL SERVICES OVERALL:

**No capital projects were budgeted for the 2012/13 financial year**

T3.28.7

# Chapter 3

## COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

**The Municipality does not perform any of the above functions.**

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# Chapter 3

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# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

The municipality is aiming at maximising the potential of staff and their contribution to service delivery and organisational performance. Human resources are the primary investment for the municipality and the municipality endeavour to maintain its investment in its staff

T4.0.1

DRAFT

# Chapter 4

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 132: Employee Totals

| Description                                                                                                                                                                                                                               | Employees        |                          |                  |                  |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------|------------------|------------------|----------------|
|                                                                                                                                                                                                                                           | 2011/12          | 2012/13                  |                  |                  |                |
|                                                                                                                                                                                                                                           | Employees<br>No. | Approved<br>Posts<br>No. | Employees<br>No. | Vacancies<br>No. | Vacancies<br>% |
| Water                                                                                                                                                                                                                                     | 36               | 52                       | 37               | 17               | 32             |
| Waste Water (Sanitation)                                                                                                                                                                                                                  | 38               | 61                       | 38               | 23               | 37             |
| Electricity                                                                                                                                                                                                                               | 39               | 61                       | 39               | 22               | 36             |
| Waste Management                                                                                                                                                                                                                          | 115              | 180                      | 112              | 68               | 37             |
| Housing                                                                                                                                                                                                                                   | 17               | 27                       | 18               | 8                | 28             |
| Storm water Drainage                                                                                                                                                                                                                      | 15               | 18                       | 15               | 3                | 16             |
| Roads                                                                                                                                                                                                                                     | 40               | 48                       | 40               | 8                | 16             |
| Transport                                                                                                                                                                                                                                 | -                | -                        | -                | -                | -              |
| Planning                                                                                                                                                                                                                                  | 5                | 12                       | 6                | 6                | 50             |
| Local Economic Development                                                                                                                                                                                                                | 1                | 18                       | 2                | 16               | 88             |
| Community & Social Services                                                                                                                                                                                                               | 32               | 42                       | 32               | 10               | 23             |
| Environmental Protection                                                                                                                                                                                                                  | -                | -                        | -                | -                | -              |
| Health                                                                                                                                                                                                                                    | -                | -                        | -                | -                | -              |
| Security and Safety                                                                                                                                                                                                                       | 43               | 113                      | 43               | 70               | 61             |
| Sport and Recreation                                                                                                                                                                                                                      | 130              | 188                      | 130              | 58               | 30             |
| Corporate Policy Offices and Other                                                                                                                                                                                                        | 115              | 205                      | 109              | 96               | 46             |
| <b>Totals</b>                                                                                                                                                                                                                             | <b>632</b>       | <b>1022</b>              | <b>621</b>       | <b>401</b>       | <b>39</b>      |
| Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram. |                  |                          |                  |                  |                |

T 4.1.1

# Chapter 4

**Table 5133: Vacancy Rate**

| Vacancy Rate: 2012/13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       |                                                                         |                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|
| Designations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | *Total Approved Posts | *Vacancies (Total time that vacancies exist using fulltime equivalents) | *Vacancies (as a proportion of total posts in each category) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No.                   | No.                                                                     | %                                                            |
| Municipal Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1                     | 1                                                                       | 1                                                            |
| CFO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1                     | 1                                                                       | 100                                                          |
| Other S57 Managers (excluding Finance Posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4                     | 4                                                                       | 100                                                          |
| Other S57 Managers (Finance posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0                     | 0                                                                       | 0                                                            |
| Police officers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 52                    | 32                                                                      | 62                                                           |
| Fire fighters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 47                    | 25                                                                      | 53                                                           |
| Senior management: Levels 13-15 (excluding Finance Posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 33                    | 4                                                                       | 12                                                           |
| Senior management: Levels 13-15 (Finance posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 6                     | 1                                                                       | 17                                                           |
| Highly skilled supervision: levels 9-12 (excluding Finance posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 103                   | 39                                                                      | 37                                                           |
| Highly skilled supervision: levels 9-12 (Finance posts)                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 10                    | 5                                                                       | 50                                                           |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>257</b>            | <b>112</b>                                                              | <b>41</b>                                                    |
| <p>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> |                       |                                                                         |                                                              |

T 4.1.2

**Table134: Turnover Rate**

| Turn-over Rate                                                                                                                                                     |                                                      |                                        |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------|-----------------|
| Details                                                                                                                                                            | Total Appointments as of beginning of Financial Year | Terminations during the Financial Year | Turn-over Rate* |
|                                                                                                                                                                    | No.                                                  | No.                                    |                 |
| 2010/11                                                                                                                                                            | 93                                                   | 11                                     | 1%              |
| 2011/12                                                                                                                                                            | 31                                                   | 35                                     | 4%              |
| 2012/13                                                                                                                                                            | 30                                                   | 29                                     | 4%              |
| <p>* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year</p> |                                                      |                                        |                 |

T 4.1.3

# Chapter 4

## COMMENT ON VACANCIES AND TURNOVER:

Council approved the amendment of the Organogram and identified critical positions that needed to be filled in April 2012. During May 2012 86 positions were advertised and the process of appointments is being done in the Financial Year 2012/2013. In the Financial Year 2012/2013 all the section 57 vacancies were filled. Turnover is mainly as results of deaths and retirements.

T4.1.4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

*Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.*

Metsimaholo Local Municipality workforce is diverse in terms of culture, race occupational specialisation. The Municipality is developing and putting in place mechanisms and systems including policies to manage the workforce. Twenty (21) HR Policies have been developed and approved by Council during February 2013.

T4.2.0



# Chapter 4

## 4.2 POLICIES

**Table 135: HR Policies and Plans**

| HR Policies and Plans |                                             |           |          |                                                        |
|-----------------------|---------------------------------------------|-----------|----------|--------------------------------------------------------|
|                       | Name of Policy                              | Completed | Reviewed | Date adopted by council or comment on failure to adopt |
|                       |                                             | %         | %        |                                                        |
| 1                     | Affirmative Action                          |           |          |                                                        |
| 2                     | Attraction and Retention                    | 100       | n/a      | In progress                                            |
| 3                     | Code of Conduct for employees               |           |          | SALGBC/MSA                                             |
| 4                     | Delegations, Authorisation & Responsibility |           |          |                                                        |
| 5                     | Disciplinary Code and Procedures            | 100       | n/a      | SALGBC                                                 |
| 6                     | Essential Services                          | 100       | n/a      | SALGBC                                                 |
| 7                     | Employee Assistance / Wellness              | 100       | n/a      | 06/02/2013                                             |
| 8                     | Employment Equity                           | 100       | n/a      | In progress                                            |
| 9                     | Exit Management                             | 100       | n/a      | In progress                                            |
| 10                    | Grievance Procedures                        |           |          | SALGBC                                                 |
| 11                    | HIV/Aids                                    | 100       | n/a      | 06/02/2013                                             |
| 12                    | Human Resource and Development              | 100       | 0        | 02/04/2007                                             |
| 13                    | Information Technology                      |           |          |                                                        |
| 14                    | Job Evaluation                              |           |          |                                                        |
| 15                    | Leave                                       |           |          | SALGBC                                                 |
| 16                    | Occupational Health and Safety              | 100       | n/a      | SALGBC                                                 |
| 17                    | Official Housing                            |           |          |                                                        |
| 18                    | Travel and expenditure                      | 100       | 0        | 01/10/2008                                             |
| 19                    | Bereavement                                 | 100       | n/a      | 06/02/2013                                             |
| 20                    | Official Working Hours and Overtime         |           |          | SALGBC                                                 |
| 21                    | Organisational Rights                       |           |          | SALGBC                                                 |
| 22                    | Payroll Deductions                          |           |          |                                                        |
| 23                    | Performance Management and Development      | 100       | 100      | 29/11/2006 & review in progress                        |
| 24                    | Recruitment, Selection and Appointments     | 100       | 100      | 06/02/2013                                             |
| 25                    | Remuneration Scales and Allowances          |           |          | SALGBC                                                 |
| 26                    | Resettlement                                | 50        | n/a      | To follow necessary procedures for adoption            |
| 27                    | Sexual Harassment                           | 100       | n/a      | 06/02/2013                                             |
| 28                    | Skills Development                          | 100       | 0        | 02/04/2007                                             |
| 29                    | Smoking                                     |           |          |                                                        |
| 30                    | Special Skills (same as retention)          |           |          |                                                        |
| 31                    | Work Organisation                           |           |          |                                                        |
| 32                    | Uniforms and Protective Clothing            |           |          |                                                        |
| 33                    | Other:                                      |           |          |                                                        |
|                       | Dress code                                  | 100       | n/a      | 06/02/2013                                             |
|                       | Bursary                                     | 100       | 100      | 06/02/13                                               |
|                       | Career path                                 | 100       | n/a      | 06/02/2013                                             |
|                       | Career succession                           | 100       | n/a      | 06/02/2013                                             |

# Chapter 4

| HR Policies and Plans                                                                       |                                      |           |          |                                                        |
|---------------------------------------------------------------------------------------------|--------------------------------------|-----------|----------|--------------------------------------------------------|
|                                                                                             | Name of Policy                       | Completed | Reviewed | Date adopted by council or comment on failure to adopt |
|                                                                                             |                                      | %         | %        |                                                        |
|                                                                                             | Conflict of interest                 | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | Gifts                                | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | HR Strategy                          | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | Medical examination                  | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | Membership to professional societies | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | Moonlight                            | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | Protected disclosure                 | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | Promotion                            | 100       | 100      | 06/02/2013                                             |
|                                                                                             | Racism                               | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | Transport/Car allowance              | 100       | n/a      | 06/02/2013                                             |
|                                                                                             | Induction & orientation              | 100       | 0        | 30/07/2003                                             |
|                                                                                             | Employees transfer                   | 100       | 0        | 28/04/2004                                             |
|                                                                                             |                                      |           |          |                                                        |
| Use name of local policies if different from above and at any other HR policies not listed. |                                      |           |          |                                                        |
| T 4.2.1                                                                                     |                                      |           |          |                                                        |

|                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>COMMENT ON WORKFORCE POLICY DEVELOPMENT:</b></p> <p>Twenty (21) HR Policies have been developed and approved by Council and employees were works hoped immediately.</p> <p>T4.2.1.1</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# Chapter 4

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 5236: Number and Cost of Injuries on Duty

| Number and Cost of Injuries on Duty   |                    |                              |                                       |                                   |                      |
|---------------------------------------|--------------------|------------------------------|---------------------------------------|-----------------------------------|----------------------|
| Type of injury                        | Injury Leave Taken | Employees using injury leave | Proportion employees using sick leave | Average Injury Leave per employee | Total Estimated Cost |
|                                       | Days               | No.                          | %                                     | Days                              | R'000                |
| Required basic medical attention only | 84                 | 6                            | 0.6                                   | 0.504                             | 25397.37             |
| Temporary total disablement           |                    |                              |                                       |                                   |                      |
| Permanent disablement                 |                    |                              |                                       |                                   |                      |
| Fatal                                 |                    |                              |                                       |                                   |                      |
| <b>Total</b>                          | <b>84</b>          | <b>6</b>                     | <b>0.6</b>                            | <b>0.504</b>                      | <b>25397.37</b>      |

T 4.3.1

Table 137: Number of Days and Cost of Sick Leave

| Number of days and Cost of Sick Leave (excluding injuries on duty) |                  |                                                        |                            |                          |                                   |                    |
|--------------------------------------------------------------------|------------------|--------------------------------------------------------|----------------------------|--------------------------|-----------------------------------|--------------------|
| Salary band                                                        | Total sick leave | Proportion of sick leave without medical certification | Employees using sick leave | Total employees in post* | *Average sick leave per Employees | Estimated cost     |
|                                                                    | Days             | %                                                      | No.                        | No.                      | Days                              | R' 000             |
| Lower skilled (Levels 1-2)                                         | 2720             | 38 %                                                   | 753                        | 753                      | 3.61                              | R 816505.92        |
| Skilled (Levels 3-5)                                               | 247              | 28 %                                                   | 28                         | 32                       | 7.71                              | R88341.02          |
| Highly skilled production (levels 6-8)                             | 808              | 15 %                                                   | 86                         | 58                       | 13.93                             | R718304.40         |
| Highly skilled supervision (levels 9-12)                           | 30               | 12 %                                                   | 7                          | 13                       | 2.3                               | R 30944.06         |
| Senior management (Levels 13-15)                                   | 26               | 4.6 %                                                  | 8                          | 10                       | 2.6                               | R 34357.45         |
| MM and S57                                                         | 2                | 0 %                                                    | 1                          | 5                        | 0.4                               | R 2965.02          |
| <b>Total</b>                                                       | <b>3833</b>      | <b>97.6%</b>                                           | <b>858</b>                 | <b>858</b>               | <b>30.55</b>                      | <b>R1691417.87</b> |

\* - Number of employees in post at the beginning of the year

\*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2

T4.3.3

# Chapter 4

## COMMENT ON INJURY AND SICK LEAVE:

*The most prevalent injuries and sick leave is at the Division Cleansing, Technical and Parks. The occurrence of TB at these departments is high. The municipality have contracted the services of Occupational Health Medical Practitioner. All incidents of injuries reported are properly recorded.*

T4.3.4

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# Chapter 4

**Table138: Number and Period of Suspensions**

| Number and Period of Suspensions |                              |                    |                                                                                      |                                                   |
|----------------------------------|------------------------------|--------------------|--------------------------------------------------------------------------------------|---------------------------------------------------|
| Position                         | Nature of Alleged Misconduct | Date of Suspension | Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised | Date Finalised                                    |
| Heavy Machine Operator           | Assault                      | 29/03/12           | Final written warning                                                                | 17/07/12                                          |
| Building Inspector               | Dishonesty                   | 11/08/11           | Official was charged. Union raised in limine points.                                 | The matter was postponed indefinitely.            |
| Supply Chain Manager             | Improper conduct             | 03/11/11           | No disciplinary action taken                                                         | The suspension was uplifted by SALGBC on 02/05/11 |
|                                  |                              |                    |                                                                                      |                                                   |
|                                  |                              |                    |                                                                                      |                                                   |

T 4.3.5

**Table 53: Disciplinary Action Taken**

| Disciplinary Action Taken on Cases of Financial Misconduct |                                                                             |                                         |                |
|------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------|----------------|
| Position                                                   | Nature of Alleged Misconduct and Rand value of any loss to the municipality | Disciplinary action taken               | Date Finalised |
| Financial intern                                           | Dishonesty (there was no loss to the Municipality)                          | The official was charged and the matter | pending        |
|                                                            |                                                                             | Was referred to SALGBC for condonation  |                |
|                                                            |                                                                             |                                         |                |
|                                                            |                                                                             |                                         |                |
|                                                            |                                                                             |                                         |                |
|                                                            |                                                                             |                                         |                |
|                                                            |                                                                             |                                         |                |

T 4.3.6

## COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The disciplinary processes take long because of the requests for postponement of hearings.

T4.3.7

# Chapter 4

## 4.4 PERFORMANCE REWARDS

**No performance rewards were paid to any employee during the 2012/13 financial year.**

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

#### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

*Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

There were 47 Training Programme identified in the financial year 2012/2013 and 17 were implemented. The following learnership/internship were undertaken: Certificate in Local Government Accounting, Advance Certificate in Local Government, Occupationally Directed Education and Training Development Practitioner Learnership, Treatment Plant Operator, Plumbing, ICT, Financial Management Internship, Municipal Financial Management Programme Training Committee held its four quarterly meetings and eight bursaries were awarded.

Training programmes are not effectively implemented as planned. Some department do not submit their departmental training programme to up-skill the staff before the submission of the Municipal Workplace Skills Plan and thus affect the implementation process since some programmes will be requested by the departmental heads for implementation after the submission of Workplace Skills Plan to the Local Government Sector Education and Training Authority.

*SA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

T4.5.0

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Table140: Skills Matrix

| Skills Matrix                                                                                                |                                                                          |                                                                      |                                                                    |                        |                  |                                         |                        |                |                         |                        |                |                        |                        |                |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|------------------------|------------------|-----------------------------------------|------------------------|----------------|-------------------------|------------------------|----------------|------------------------|------------------------|----------------|
| Number of skilled employees required and actual as at 30 June 2013<br>Learnerships<br>Actual: End of 2011/12 | Gender Skills programmes & other short courses<br>Actual: End of 2012/13 | Employees in post as at 30 June Year 2012<br>Other forms of training | Number of skilled employees required and actual as at 30 June 2012 |                        |                  |                                         |                        |                |                         |                        |                |                        |                        |                |
|                                                                                                              |                                                                          |                                                                      | Total                                                              |                        |                  | Skills programmes & other short courses |                        |                | Other forms of training |                        |                | Total                  |                        |                |
|                                                                                                              |                                                                          |                                                                      | Actual: End of 2011/12                                             | Actual: End of 2012/13 | 2012/2013 Target | Actual: End of 2011/12                  | Actual: End of 2012/13 | 2012/13 Target | Actual: End of 2011/12  | Actual: End of 2012/13 | 2012/13 Target | Actual: End of 2011/12 | Actual: End of 2010/11 | 2011/12 Target |
| MM and s57                                                                                                   | Female                                                                   | 2                                                                    | 0                                                                  | 0                      | 0                | 1                                       | 2                      | 2              | 0                       | 0                      | 0              | 1                      | 2                      | 2              |
|                                                                                                              | Male                                                                     | 3                                                                    | 0                                                                  | 0                      | 0                | 2                                       | 3                      | 3              | 0                       |                        | 0              | 2                      | 3                      | 3              |
| Councillors, senior officials and managers                                                                   | Female                                                                   | 20                                                                   | 0                                                                  | 0                      | 10               | 5                                       | 2                      | 16             | 0                       | 0                      | 0              | 5                      | 2                      | 26             |
|                                                                                                              | Male                                                                     | 61                                                                   | 0                                                                  | 0                      | 20               | 23                                      | 9                      | 25             | 0                       | 0                      | 0              | 23                     | 9                      | 45             |
| Technicians and trade workers                                                                                | Female                                                                   | 6                                                                    | 0                                                                  | 0                      | 5                | 1                                       | 5                      | 10             | 0                       | 0                      | 0              | 1                      | 5                      | 15             |
|                                                                                                              | Male                                                                     | 63                                                                   | 0                                                                  | 0                      | 15               | 6                                       | 12                     | 28             | 0                       | 0                      | 0              | 6                      | 12                     | 43             |
| Professionals and associate professionals*                                                                   | Female                                                                   | 11                                                                   | 0                                                                  | 0                      | 0                | 4                                       | 3                      | 20             | 0                       | 0                      | 0              | 4                      | 3                      | 20             |
|                                                                                                              | Male                                                                     | 21                                                                   | 0                                                                  | 0                      | 0                | 2                                       | 2                      | 15             | 0                       | 0                      | 0              | 2                      | 2                      | 15             |
| Sub total                                                                                                    | Female                                                                   | 39                                                                   | 0                                                                  | 0                      | 15               | 11                                      | 12                     | 48             | 0                       | 0                      | 0              | 11                     | 12                     | 63             |
|                                                                                                              | Male                                                                     | 148                                                                  | 0                                                                  | 0                      | 35               | 33                                      | 26                     | 71             | 0                       | 0                      | 0              | 33                     | 26                     | 106            |
| <b>Total</b>                                                                                                 |                                                                          | <b>187</b>                                                           | <b>0</b>                                                           | <b>0</b>               | <b>50</b>        | <b>44</b>                               | <b>38</b>              | <b>119</b>     | <b>0</b>                | <b>0</b>               | <b>0</b>       | <b>44</b>              | <b>38</b>              | <b>169</b>     |
| *Registered with professional Associate Body e.g CA (SA)                                                     |                                                                          |                                                                      |                                                                    |                        |                  |                                         |                        |                |                         |                        |                |                        |                        |                |
|                                                                                                              |                                                                          |                                                                      |                                                                    |                        |                  |                                         |                        |                |                         |                        |                |                        |                        | T 4.5.1        |

# Chapter 4

**Table 141: Financial Competency Development**

| Financial Competency Development: Progress Report*                                                                          |                                                                                                          |                                                                                                                |                                   |                                                                                                               |                                                                                                                                              |                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Description                                                                                                                 | A.<br>Total number<br>of officials<br>employed by<br>municipality<br>(Regulation<br>14(4)(a) and<br>(c)) | B.<br>Total number of<br>officials<br>employed by<br>municipal<br>entities<br>(Regulation<br>14(4)(a) and (c)) | Consolidated:<br>Total of A and B | Consolidated:<br>Competency<br>assessments<br>completed for<br>A and B<br>(Regulation<br>14(4)(b) and<br>(d)) | Consolidated:<br>Total number of<br>officials whose<br>performance<br>agreements<br>comply with<br>Regulation 16<br>(Regulation<br>14(4)(f)) | Consolidated:<br>Total number<br>of officials that<br>meet<br>prescribed<br>competency<br>levels<br>(Regulation<br>14(4)(e)) |
| <b>Financial Officials</b>                                                                                                  |                                                                                                          |                                                                                                                |                                   |                                                                                                               |                                                                                                                                              |                                                                                                                              |
| Accounting officer                                                                                                          | 1                                                                                                        | 0                                                                                                              | 1                                 | 0                                                                                                             | 1                                                                                                                                            | 0                                                                                                                            |
| Chief financial officer                                                                                                     | 0                                                                                                        | 0                                                                                                              | 0                                 | 0                                                                                                             | 0                                                                                                                                            | 0                                                                                                                            |
| Senior managers                                                                                                             | 8                                                                                                        | 0                                                                                                              | 8                                 | 4                                                                                                             | 4                                                                                                                                            | 0                                                                                                                            |
| Any other financial officials                                                                                               | 5                                                                                                        | 0                                                                                                              | 5                                 | 0                                                                                                             | 0                                                                                                                                            | 0                                                                                                                            |
| <b>Supply Chain Management Officials</b>                                                                                    |                                                                                                          |                                                                                                                |                                   |                                                                                                               |                                                                                                                                              |                                                                                                                              |
| Heads of SCM unit                                                                                                           | 0                                                                                                        | 0                                                                                                              | 0                                 | 0                                                                                                             | 0                                                                                                                                            | 0                                                                                                                            |
| SCM senior managers                                                                                                         | 2                                                                                                        | 0                                                                                                              | 2                                 | 0                                                                                                             | 0                                                                                                                                            | 0                                                                                                                            |
| <b>TOTAL</b>                                                                                                                | <b>16</b>                                                                                                | <b>0</b>                                                                                                       | <b>16</b>                         | <b>4</b>                                                                                                      | <b>5</b>                                                                                                                                     | <b>0</b>                                                                                                                     |
| * This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2 |                                                                                                          |                                                                                                                |                                   |                                                                                                               |                                                                                                                                              |                                                                                                                              |



# Chapter 4

Table 542: Skills Development Expenditure

| Skills Development Expenditure                                                               |        |                                                     |                                                                      |        |                                         |         |                         |        |                 |         |
|----------------------------------------------------------------------------------------------|--------|-----------------------------------------------------|----------------------------------------------------------------------|--------|-----------------------------------------|---------|-------------------------|--------|-----------------|---------|
| R'000                                                                                        |        |                                                     |                                                                      |        |                                         |         |                         |        |                 |         |
| Management level                                                                             | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development 2011/12 |        |                                         |         |                         |        |                 |         |
|                                                                                              |        |                                                     | Learnerships                                                         |        | Skills programmes & other short courses |         | Other forms of training |        | Total           |         |
|                                                                                              |        | No.                                                 | Original Budget                                                      | Actual | Original Budget                         | Actual  | Original Budget         | Actual | Original Budget | Actual  |
| MM and S57                                                                                   | Female | 2                                                   | 0                                                                    | 0      | 120 000                                 | 126 900 | 0                       | 0      | 120 000         | 126 900 |
|                                                                                              | Male   | 3                                                   | 0                                                                    | 0      | 180 000                                 | 190 350 | 0                       | 0      | 180 000         | 190 350 |
| Legislators, senior officials and managers                                                   | Female | 18                                                  | (10)150 000                                                          | 0      | 128 556                                 | 94 625  | 0                       | 0      | 278 556         | 94 625  |
|                                                                                              | Male   | 59                                                  | (20) 300 000                                                         | 0      | 421 444                                 | 145 630 | 0                       | 0      | 721 444         | 145 630 |
| Professionals                                                                                | Female | 20                                                  | 0                                                                    | 0      | 80 280                                  | 6 583   | 0                       | 0      | 80 000          | 6 583   |
|                                                                                              | Male   | 15                                                  | 0                                                                    | 0      | 80 000                                  | 73 615  | 0                       | 0      | 80 000          | 73 615  |
| Technicians and associate professionals                                                      | Female | 7                                                   | (5)75 000                                                            | 0      | 30 000                                  | 0       | 0                       | 0      | 105 000         | 0       |
|                                                                                              | Male   | 72                                                  | (15)225 000                                                          | 0      | 40 000                                  | 0       | 0                       | 0      | 265 000         | 0       |
| Clerks                                                                                       | Female | 66                                                  | (4) 60 000                                                           | 0      | 230 000                                 | 19 948  | 0                       | 0      | 290 000         | 19 948  |
|                                                                                              | Male   | 78                                                  | 0                                                                    | 0      | 270 000                                 | 20 375  | 0                       | 0      | 270 000         | 20 375  |
| Service and sales workers                                                                    | Female | 23                                                  | 0                                                                    | 0      | 30 000                                  | 0       | 0                       | 0      | 30 000          | 26 565  |
|                                                                                              | Male   | 46                                                  | 0                                                                    | 0      | 50 000                                  | 26 565  | 0                       | 0      | 50 000          | 0       |
| Plant and machine operators and assemblers                                                   | Female | 6                                                   | 0                                                                    | 0      | 0                                       | 0       | 0                       | 0      | 0               | 0       |
|                                                                                              | Male   | 68                                                  | 0                                                                    | 0      | 0                                       | 0       | 0                       | 0      | 0               | 0       |
| Elementary occupations                                                                       | Female | 81                                                  | (42) 630 000                                                         | 0      | 243 000                                 | 0       | 0                       | 0      | 873 000         | 0       |
|                                                                                              | Male   | 203                                                 | (48) 720 000                                                         | 0      | 595 000                                 | 0       | 0                       | 0      | 1 315 000       | 0       |
| Sub total                                                                                    | Female | 223                                                 | (62)915 000                                                          | 0      | 861 836                                 | 248 056 | 0                       | 0      | 1 776 836       | 248 056 |
|                                                                                              | Male   | 543                                                 | (99)1 500 000                                                        | 0      | 1 636 444                               | 456 535 | 0                       | 0      | 3 136 444       | 456 535 |
| Total                                                                                        |        | 766                                                 | 2 415 000                                                            |        | 2 498 280                               | 704 591 |                         |        | 4 913 280       | 704 591 |
| *% and *R value of municipal salaries (original budget) allocated for workplace skills plan. |        |                                                     |                                                                      |        |                                         |         |                         |        | 0,63%*          |         |
| T4.5.3                                                                                       |        |                                                     |                                                                      |        |                                         |         |                         |        |                 |         |

# Chapter 4

## COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Training programmes are not effectively implemented as planned. Some department do not submit their departmental training programme to upskill the staff before the submission of the Municipal Workplace Skills Plan and thus affect the implementation process since some programmes will be requested by the departmental heads for implementation after the submission of Workplace Skills Plan to the Local Government Sector Education and Training Authority. Training budget is sufficient enough to cater training of all personnel as planned. MFMA Competency Regulation programme is implemented however; the Municipality had vacancies for Section 57 employees who will be enrolled for the programme as soon as the appointments are made. The Municipality is in the process of registering all Financial Accountants to the programme and other Managers from the different departments. Learnership programmes (\*) implemented are the LGSETA project that are already funded by them (LGSETA) which were not planned programmes for the Municipality but beneficiary to the Municipality as a whole.

T4.5.4

# Chapter 4

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality is under constant pressure to ensure that the workforce expenditure is managed within the approved budget and National Treasury benchmarks. Where feasible vacancies, which arise from turnover, is filled based on an assessment of the continued need for the post and operational requirements

T4.6.0

### 4.6 EMPLOYEE EXPENDITURE

Source: MBRR SA22

T 4.6.1

### COMMENT ON WORKFORCE EXPENDITURE:

T4.6.1.1

**Table 143: Number of Employees whose Salaries were Increased**

| Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded                                                                                          |        |       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------|
| Beneficiaries                                                                                                                                                                    | Gender | Total |
| Lower skilled (Levels 1-2)                                                                                                                                                       | Female | 81    |
|                                                                                                                                                                                  | Male   | 56    |
| Skilled (Levels 3-5)                                                                                                                                                             | Female | 0     |
|                                                                                                                                                                                  | Male   | 0     |
| Highly skilled production (Levels 6-8)                                                                                                                                           | Female | 0     |
|                                                                                                                                                                                  | Male   | 0     |
| Highly skilled supervision (Levels9-12)                                                                                                                                          | Female | 0     |
|                                                                                                                                                                                  | Male   | 0     |
| Senior management (Levels13-16)                                                                                                                                                  | Female | 0     |
|                                                                                                                                                                                  | Male   | 0     |
| MM and S 57                                                                                                                                                                      | Female | 0     |
|                                                                                                                                                                                  | Male   | 0     |
| Total                                                                                                                                                                            |        | 137   |
| Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above). |        |       |

T 4.6.2

# Chapter 4

**Table 5514: Employees whose Salary Levels Exceed Grading**

| Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation |                     |                      |                    |                                                                            |
|-----------------------------------------------------------------------------|---------------------|----------------------|--------------------|----------------------------------------------------------------------------|
| Occupation                                                                  | Number of employees | Job evaluation level | Remuneration level | Reason for deviation                                                       |
| General Workers                                                             | 14                  | 18                   | 13                 | Contractual to incumbent: Employees are from the former Lekoa Municipality |
| General Worker                                                              | 1                   | 18                   | 11                 | Contractual to incumbent: Employees are from the former Lekoa Municipality |
| General Worker                                                              | 1                   | 18                   | 10                 | Contractual to incumbent: Employees are from the former Lekoa Municipality |
|                                                                             |                     |                      |                    | T 4.6.3                                                                    |

**Table 56: Employees Appointed to Posts not Approved**

| Employees appointed to posts not approved |       |                     |               |                                                       |
|-------------------------------------------|-------|---------------------|---------------|-------------------------------------------------------|
| Department                                | Level | Date of appointment | No. appointed | Reason for appointment when no established post exist |
| IDP                                       | 4     | 01/03/2011          | 1             | Urgent post                                           |
| Executive Mayor                           | 3     | 01/08/2011          | 1             | Political appointment                                 |
| Speaker                                   | 5/4   | 01/09/2011          | 1             | Political appointment                                 |
| Chief Whip                                | 1     | 01/12/2011          | 1             | Political appointment                                 |
| Chief Whip                                | 2     | 01/12/2011          | 1             | Political appointment                                 |
| Chef Whip                                 | 8     | 01/12/2011          | 1             | Political appointment                                 |
|                                           |       |                     |               | T 4.6.4                                               |

## COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

This is as a result of legacy issues from the previous amalgamation of the Lekoa Town Council and Sasolburg Municipality.

T4.6.5

## DISCLOSURES OF FINANCIAL INTERESTS

Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**.

T4.6.6

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

T5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T5.1.0

# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Table 146: Statement of Financial Performance

| Description                                                          | 2012/13         |                                                     |                          |                                            |                                          |              |                |                           |          |                                     | 2011/12                                |                                    |                                                       |                         |                          |
|----------------------------------------------------------------------|-----------------|-----------------------------------------------------|--------------------------|--------------------------------------------|------------------------------------------|--------------|----------------|---------------------------|----------|-------------------------------------|----------------------------------------|------------------------------------|-------------------------------------------------------|-------------------------|--------------------------|
|                                                                      | Original Budget | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement(i.t.o. Council approved policy) | Final Budget | Actual Outcome | Un-authorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported un-authorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| R thousands                                                          | 1               | 2                                                   | 3                        | 4                                          | 5                                        | 6            | 7              | 8                         | 9        | 10                                  | 11                                     | 12                                 | 13                                                    | 14                      | 15                       |
| <b>Financial Performance</b>                                         |                 |                                                     |                          |                                            |                                          |              |                |                           |          |                                     |                                        |                                    |                                                       |                         |                          |
| Property rates                                                       |                 |                                                     |                          |                                            |                                          | 90 245       | 92 485         |                           | 2 240    | 102.5                               | 102.5                                  |                                    |                                                       |                         | 86 652                   |
| Service charges                                                      | 434 903         | 1 936                                               | 436 839                  |                                            |                                          | 436 839      | 371 296        |                           | -65 543  | 85                                  | 85.4                                   |                                    |                                                       |                         | 328 903                  |
| Investment revenue                                                   | 2 300           | -1 000                                              | 1 300                    |                                            |                                          | 1 300        | 1 543          |                           | 243      | 118.7                               | 67.1                                   |                                    |                                                       |                         | 2 794                    |
| Transfers recognised - operational                                   | 107 206         | -2 717                                              | 104 489                  |                                            |                                          | 104 489      | 100 094        |                           | -4 395   | 95.8                                | 93.4                                   |                                    |                                                       |                         | 95 398                   |
| Other own revenue                                                    | 62 370          | 37                                                  | 62 407                   |                                            |                                          | 62 407       | 38 381         |                           | -24 026  | 61.5                                | 61.5                                   |                                    |                                                       |                         | 35 293                   |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | 697 024         | -1 744                                              | 695 280                  |                                            |                                          | 695 280      | 603 799        |                           | -91 481  | 86.8                                | 86.8                                   |                                    |                                                       |                         | 548 762                  |
| Employee costs                                                       | 182 964         | 1 159                                               | 184 123                  |                                            |                                          | 184 123      | 170 173        |                           | -13 950  | 92.4                                | 93                                     |                                    |                                                       |                         | 162 937                  |
| Remuneration of councillors                                          | 12 863          |                                                     | 12 863                   |                                            |                                          | 12 863       | 12 102         |                           | -761     | 94.1                                | 94.1                                   |                                    |                                                       |                         | 11 916                   |
| Debt impairment                                                      | 45 000          |                                                     | 45 000                   |                                            |                                          | 45 000       | 62 594         |                           | 17 594   | 139.1                               | 139.1                                  |                                    |                                                       |                         | 79 875                   |
| Depreciation & asset impairment                                      | 50 000          | 0                                                   | 50 000                   |                                            |                                          | 50 000       | 43 309         |                           | -6 691   | 86.6                                | 86.6                                   |                                    |                                                       |                         | 59 179                   |
| Finance charges                                                      | 21 076          | -16 758                                             | 4 318                    |                                            |                                          | 4 318        | 1 174          |                           | -3 144   | 27.2                                | 5.6                                    |                                    |                                                       |                         | 3 312                    |
| Materials and bulk purchases                                         | 306 511         | -1 601                                              | 304 910                  |                                            |                                          | 304 910      | 258 726        |                           | -46 184  | 84.9                                | 84.4                                   |                                    |                                                       |                         | 228 568                  |
| Transfers and grants                                                 | 31 295          |                                                     | 31 295                   |                                            |                                          | 31 295       | 30 958         |                           | -337     | 98.9                                | 98.9                                   |                                    |                                                       |                         | 17 690                   |
| Other expenditure                                                    | 127 790         | 2 541                                               |                          |                                            |                                          |              |                |                           | -41 425  | 68.2                                | 69.2                                   |                                    |                                                       |                         | 82 672                   |
| <b>Total Expenditure</b>                                             | 777 499         | -14 659                                             | 90 245                   | 0                                          | 90 245                                   |              |                |                           | -94 898  | 87.6                                | 85.9                                   |                                    |                                                       |                         | 646 149                  |
| <b>Surplus/(Deficit)</b>                                             | -80 475         | 12 915                                              | -67 560                  |                                            |                                          | -67 560      | -64 143        |                           | 3 417    | 94.9                                | 79.7                                   |                                    |                                                       |                         | -97 386                  |
| Transfers recognised - capital                                       | 59 768          | 2 712                                               | 62 480                   |                                            |                                          | 62 480       | 64 864         |                           | 2 384    | 103.8                               | 108.5                                  |                                    |                                                       |                         | 37 594                   |
| Contributions recognised -                                           |                 |                                                     |                          |                                            |                                          | -            |                |                           |          |                                     |                                        |                                    |                                                       |                         |                          |

# Chapter 5

[illegible]

# Chapter 5

Table 147: Financial Performance of Operational Services

| Financial Performance of Operational Services                                                                                                                                                                                                                                                                                     |                |                 |                    |            |                   |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|--------------------|------------|-------------------|----------------------|
| Description                                                                                                                                                                                                                                                                                                                       | R '000         |                 |                    |            |                   |                      |
|                                                                                                                                                                                                                                                                                                                                   | 2011/12        | 2012/13         |                    |            | 2012/13 Variance  |                      |
|                                                                                                                                                                                                                                                                                                                                   | Actual         | Original Budget | Adjustments Budget | Actual     | Original Budget % | Adjustments Budget % |
| <b>Operating Cost</b>                                                                                                                                                                                                                                                                                                             |                |                 |                    |            |                   |                      |
| Water                                                                                                                                                                                                                                                                                                                             | 38 570         | 34 275          | 35 710             | 37 495     | 9                 | 5                    |
| Waste Water (Sanitation)                                                                                                                                                                                                                                                                                                          | -11 494        | 28 317          | 29 819             | -11 633    |                   |                      |
| Electricity                                                                                                                                                                                                                                                                                                                       | 22 611         | 9 280           | 10 807             | -17 199    |                   |                      |
| Waste Management                                                                                                                                                                                                                                                                                                                  | 1 611          | 9 283           | 8 964              | 2 673      |                   |                      |
| Housing                                                                                                                                                                                                                                                                                                                           | 10 485         | 2 159           | 2 098              | -5 394     |                   |                      |
| Component A: sub-total                                                                                                                                                                                                                                                                                                            | 61 783         | 83 314          | 87 398             | 5 942      |                   |                      |
| Stormwater Drainage                                                                                                                                                                                                                                                                                                               |                |                 |                    |            |                   |                      |
| Roads                                                                                                                                                                                                                                                                                                                             | -33 280        | -60 057         | -59 407            | -5 842     |                   |                      |
| Transport                                                                                                                                                                                                                                                                                                                         |                |                 |                    |            |                   |                      |
| Component B: sub-total                                                                                                                                                                                                                                                                                                            | -33 280        | -60 057         | -59 407            | -5 842     |                   |                      |
| Planning                                                                                                                                                                                                                                                                                                                          | -5 081         | -3 424          | -3 459             | -1 874     |                   |                      |
| Local Economic Development                                                                                                                                                                                                                                                                                                        |                | 1 431           | 1 428              | -679       |                   |                      |
| Component B: sub-total                                                                                                                                                                                                                                                                                                            | -5 081         | -1 993          | -2 031             | -2 553     |                   |                      |
| Planning (Strategic & Regulatory)                                                                                                                                                                                                                                                                                                 |                |                 |                    |            |                   |                      |
| Local Economic Development                                                                                                                                                                                                                                                                                                        |                |                 |                    |            |                   |                      |
| Component C: sub-total                                                                                                                                                                                                                                                                                                            |                |                 |                    |            |                   |                      |
| Community & Social Services                                                                                                                                                                                                                                                                                                       | - 7 920        | -20 919         | -21 357            | -18 777    |                   |                      |
| Environmental Protection                                                                                                                                                                                                                                                                                                          |                |                 |                    |            |                   |                      |
| Health                                                                                                                                                                                                                                                                                                                            |                |                 |                    |            |                   |                      |
| Security and Safety                                                                                                                                                                                                                                                                                                               | -22 748        | -14 781         | -14 693            | -16 837    |                   |                      |
| Sport and Recreation                                                                                                                                                                                                                                                                                                              | -23 337        | -8 242          | -7 852             | -5 806     |                   |                      |
| Corporate Policy Offices and Other                                                                                                                                                                                                                                                                                                | 6 459          | 1 972           | 12 862             | 44 594     |                   |                      |
| Component D: sub-total                                                                                                                                                                                                                                                                                                            | -47 546        | -41 970         | -31 040            | 3 174      |                   |                      |
| <b>Total Expenditure</b>                                                                                                                                                                                                                                                                                                          | <b>-24 124</b> | <b>-20 706</b>  | <b>-5 080</b>      | <b>721</b> |                   |                      |
| In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. |                |                 |                    |            |                   |                      |

T 5.1.2



# Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

T5.1.3

## 5.2 GRANTS

Table 148: Grant Performance

| Grant Performance                                                                                                                                                                                |               |                |                    |                  |                     |                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|--------------------|------------------|---------------------|------------------------|
| R' 000                                                                                                                                                                                           |               |                |                    |                  |                     |                        |
| Description                                                                                                                                                                                      | 2011/12       | 2012/13        |                    | 2012/13 Variance |                     |                        |
|                                                                                                                                                                                                  | Actual        | Budget         | Adjustments Budget | Actual           | Original Budget (%) | Adjustments Budget (%) |
| <b>Operating Transfers and Grants</b>                                                                                                                                                            |               |                |                    |                  |                     |                        |
| <b>National Government:</b>                                                                                                                                                                      | <b>93 616</b> | <b>105 811</b> | <b>103 094</b>     | <b>98 475</b>    |                     |                        |
| Equitable share                                                                                                                                                                                  | 88 125        | 97 653         | 97 653             | 93 903           | (4)                 | (4)                    |
| Municipal Systems Improvement                                                                                                                                                                    | 790           | 800            | 800                | 800              |                     |                        |
| Department of Water Affairs                                                                                                                                                                      | 784           | 3 497          | 785                | 785              | (78)                | 0                      |
| Financial Management Grant                                                                                                                                                                       | 1350          | 1 500          | 1 500              | 1 500            |                     |                        |
|                                                                                                                                                                                                  |               | 2 361          |                    |                  |                     |                        |
| Other transfers/grants MIG                                                                                                                                                                       | 1451          | -              | 2 356              | 1 487            | (37)                | (37)                   |
| <b>Provincial Government:</b>                                                                                                                                                                    | <b>1 116</b>  |                |                    | <b>500</b>       |                     |                        |
| Health subsidy                                                                                                                                                                                   |               |                |                    |                  |                     |                        |
| Housing                                                                                                                                                                                          |               |                |                    |                  |                     |                        |
| Ambulance subsidy                                                                                                                                                                                |               |                |                    |                  |                     |                        |
| Sports and Recreation                                                                                                                                                                            |               |                |                    | 500              | 100                 | 100                    |
| Other transfers/grants [insert description]                                                                                                                                                      |               |                |                    |                  |                     |                        |
| <b>District Municipality:</b>                                                                                                                                                                    |               |                |                    |                  |                     |                        |
| [insert description]                                                                                                                                                                             | <b>97</b>     |                |                    |                  |                     |                        |
|                                                                                                                                                                                                  | 97            |                |                    |                  |                     |                        |
| <b>Other grant providers:</b>                                                                                                                                                                    |               | 1 395          | 1 3695             | 1 395            |                     |                        |
| EPWP                                                                                                                                                                                             |               | <b>1 395</b>   | <b>1 395</b>       | <b>1 395</b>     |                     |                        |
| <b>Total Operating Transfers and Grants</b>                                                                                                                                                      | <b>83 228</b> | <b>107 206</b> | <b>104 489</b>     |                  |                     |                        |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes. |               |                |                    |                  |                     |                        |
| T 5.2.1                                                                                                                                                                                          |               |                |                    |                  |                     |                        |

# Chapter 5

## COMMENT ON OPERATING TRANSFERS AND GRANTS:

*Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.*

All conditional grants received were spent.

T5.2.2

**Table 149: Grants Received from Other Sources**

| Grants Received From Sources Other Than Division of Revenue Act (DoRA) |                      |                      |                                |                       |                                        |                                                                                              |
|------------------------------------------------------------------------|----------------------|----------------------|--------------------------------|-----------------------|----------------------------------------|----------------------------------------------------------------------------------------------|
| Details of Donor                                                       | Actual Grant 2011/12 | Actual Grant 2012/13 | 2012/13 Municipal Contribution | Date Grant terminates | Date Municipal contribution terminates | Nature and benefit from the grant received, include description of any contributions in kind |
| <b>Parastatals</b>                                                     |                      |                      |                                |                       |                                        |                                                                                              |
| A - "Project 1"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| A - "Project 2"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| B - "Project 1"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| B - "Project 2"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| <b>Foreign Governments/Development Aid Agencies</b>                    |                      |                      |                                |                       |                                        |                                                                                              |
| A - "Project 1"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| A - "Project 2"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| B - "Project 1"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| B - "Project 2"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| <b>Private Sector / Organisations</b>                                  |                      |                      |                                |                       |                                        |                                                                                              |
| A - "Project 1"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| A - "Project 2"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| B - "Project 1"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| B - "Project 2"                                                        |                      |                      |                                |                       |                                        |                                                                                              |
| Provide a comprehensive response to this schedule                      |                      |                      |                                |                       |                                        | T 5.2.3                                                                                      |

# Chapter 5

## COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

No conditional grants or grants from other resources received by the municipality during the year under review.

T5.2.4

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The organogram provides for an asset management unit. However, no appointments were made yet. An approved asset management Policy and procedures is in place. The municipality's asset register is GRAP compliant.

T5.3.1

Table 150: Treatment of three largest assets

| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2012/13 |                                   |           |            |         |
|--------------------------------------------------------|-----------------------------------|-----------|------------|---------|
| Asset 1                                                |                                   |           |            |         |
| Name :                                                 | Augmentation of Bulk water supply |           |            |         |
| Description:                                           | Water network                     |           |            |         |
| Asset Type:                                            | Infrastructure water              |           |            |         |
| Key Staff Involved:                                    | PMU Staff                         |           |            |         |
| Staff Responsibilities:                                | Monitoring of project             |           |            |         |
| Asset Value: R347 506 000                              | 2009/10                           | 2010/11   | 2011/12    | 2012/13 |
|                                                        |                                   | 1 491 664 | 13 510 531 |         |
| Capital Implications:                                  | MIG Funding                       |           |            |         |
| Future Purpose of Asset:                               | Water supply                      |           |            |         |
| Describe Key Issues                                    |                                   |           |            |         |
| Policies in Place to Manage Asset                      |                                   |           |            |         |
| Asset 2                                                |                                   |           |            |         |
| Name:                                                  | Amelia outfall sewer              |           |            |         |
| Description:                                           | Outfall sewer                     |           |            |         |
| Asset Type:                                            | Infrastructure sewer              |           |            |         |
| Key Staff Involved:                                    | PMU Staff                         |           |            |         |
| Staff Responsibilities:                                | Monitoring of project             |           |            |         |

# Chapter 5

|                                   |                                                             |            |           |         |
|-----------------------------------|-------------------------------------------------------------|------------|-----------|---------|
|                                   |                                                             |            |           |         |
|                                   | 2009/10                                                     | 2010/11    | 2011/12   | 2012/13 |
| Asset Value: R37 183 926          |                                                             |            | 8 252 006 |         |
| Capital Implications:             | MIG Funding                                                 |            |           |         |
| Future Purpose of Asset:          | outfall sewer                                               |            |           |         |
| Describe Key Issues               |                                                             |            |           |         |
| Policies in Place to Manage Asset |                                                             |            |           |         |
| Asset 3                           |                                                             |            |           |         |
| Name:                             | Construction of new interlocking paved road and storm water |            |           |         |
| Description:                      | Roads and storm water channel                               |            |           |         |
| Asset Type:                       | Infrastructure Roads                                        |            |           |         |
| Key Staff Involved:               | PMU Staff                                                   |            |           |         |
| Staff Responsibilities:           | Monitoring of project                                       |            |           |         |
|                                   | 2009/10                                                     | 2010/11    | 2011/12   | 2012/13 |
| Asset Value: R35 883 276          |                                                             | 19 350 335 | 9 823 390 |         |
| Capital Implications:             | MIG                                                         |            |           |         |
| Future Purpose of Asset:          | Roads                                                       |            |           |         |
| Describe Key Issues               |                                                             |            |           |         |
| Policies in Place to Manage Asset |                                                             |            |           |         |
| T 5.3.2                           |                                                             |            |           |         |

## COMMENT ON ASSET MANAGEMENT:

**Delete Directive note once comment is completed** With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19(2) (a) & (b) and MSA section 74(2)(d),(e)&(i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T5.3.3

# Chapter 5

Table 151: Repairs and Maintenance Expenditure

| Repair and Maintenance Expenditure: 2012/13 |                 |                   |        |                 |
|---------------------------------------------|-----------------|-------------------|--------|-----------------|
| R' 000                                      |                 |                   |        |                 |
|                                             | Original Budget | Adjustment Budget | Actual | Budget variance |
| Repairs and Maintenance Expenditure         | 53 399          | 52 752            | 23 608 | 29 144          |
| T 5.3.4                                     |                 |                   |        |                 |

## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Council allocated 6.9% of its operating budget to repairs and maintenance (excluding labour of municipality). This is not sufficient due to a huge maintenance backlogs. However, due to cash flow considerations, it is not possible at this stage to increase the allocation. Actual expenditure on repairs and maintenance was 3.42% the total operating expenditure(excluding labour of municipality)

T5.3.4.1

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

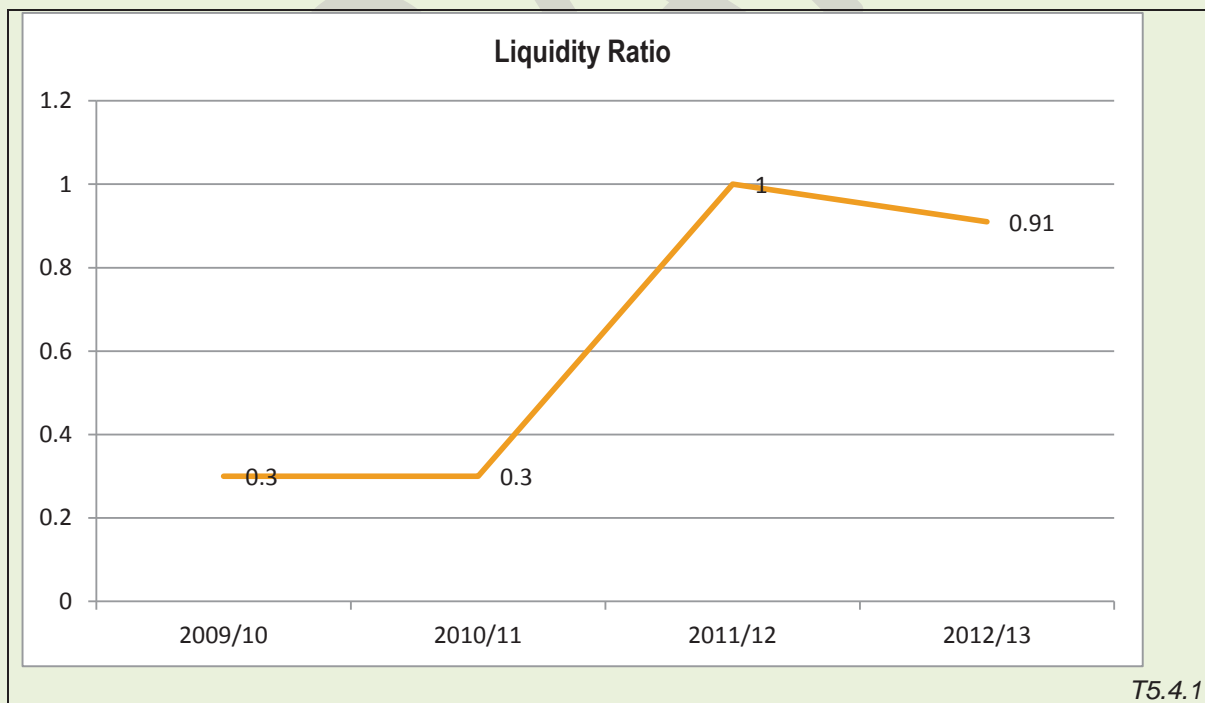


Figure 3: Cost Coverage

# Chapter 5

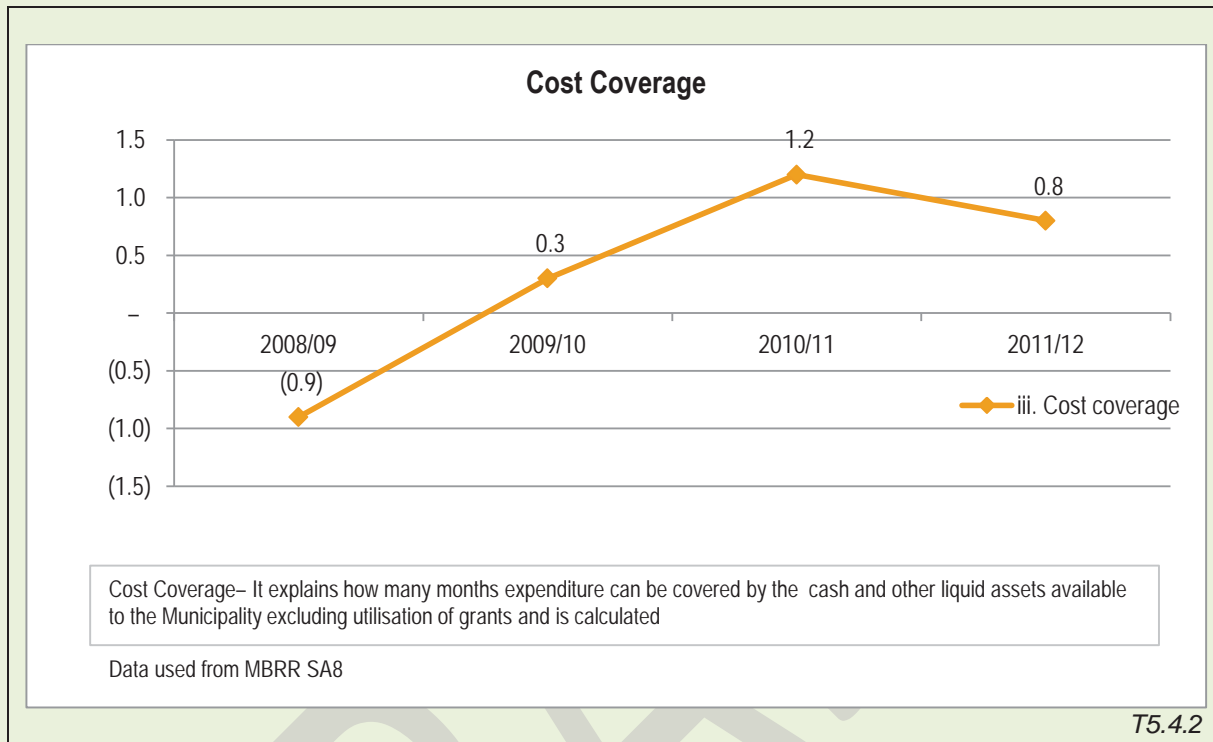


Figure 4: Total Outstanding Service Debtors

# Chapter 5

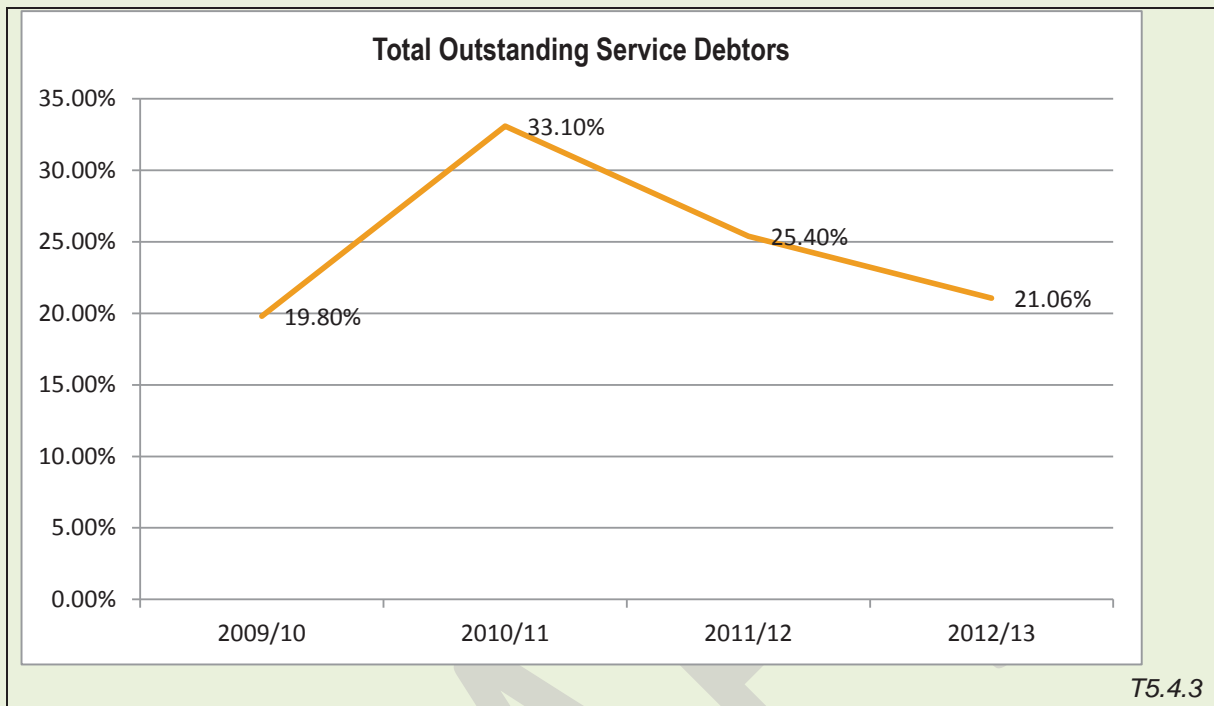


Figure 5: Total Outstanding Service Debtors

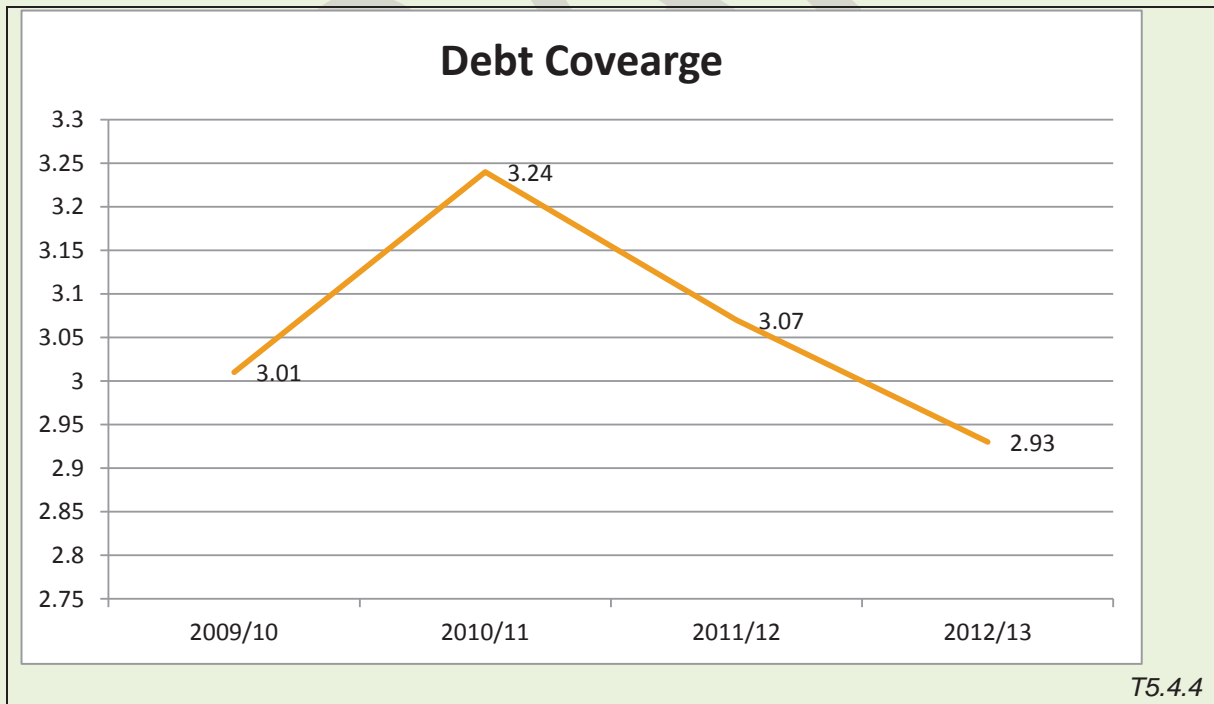


Figure 6: Debt Coverage

# Chapter 5

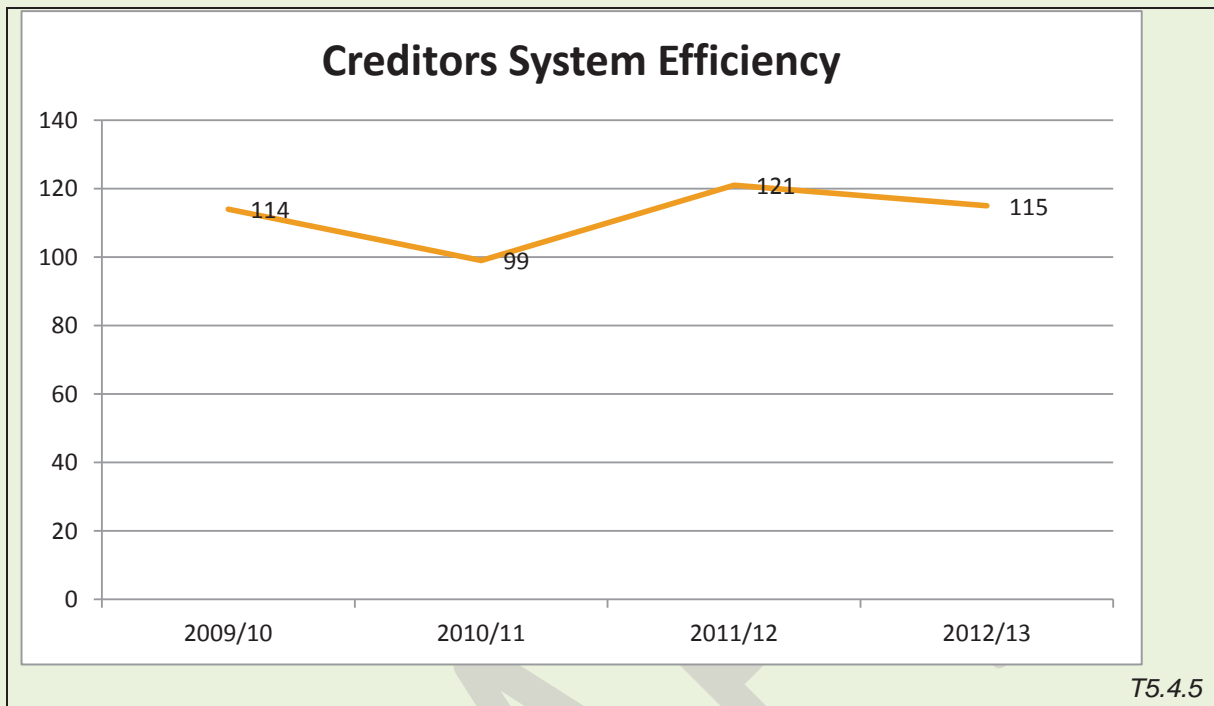


Figure 7: Creditors System Efficiency

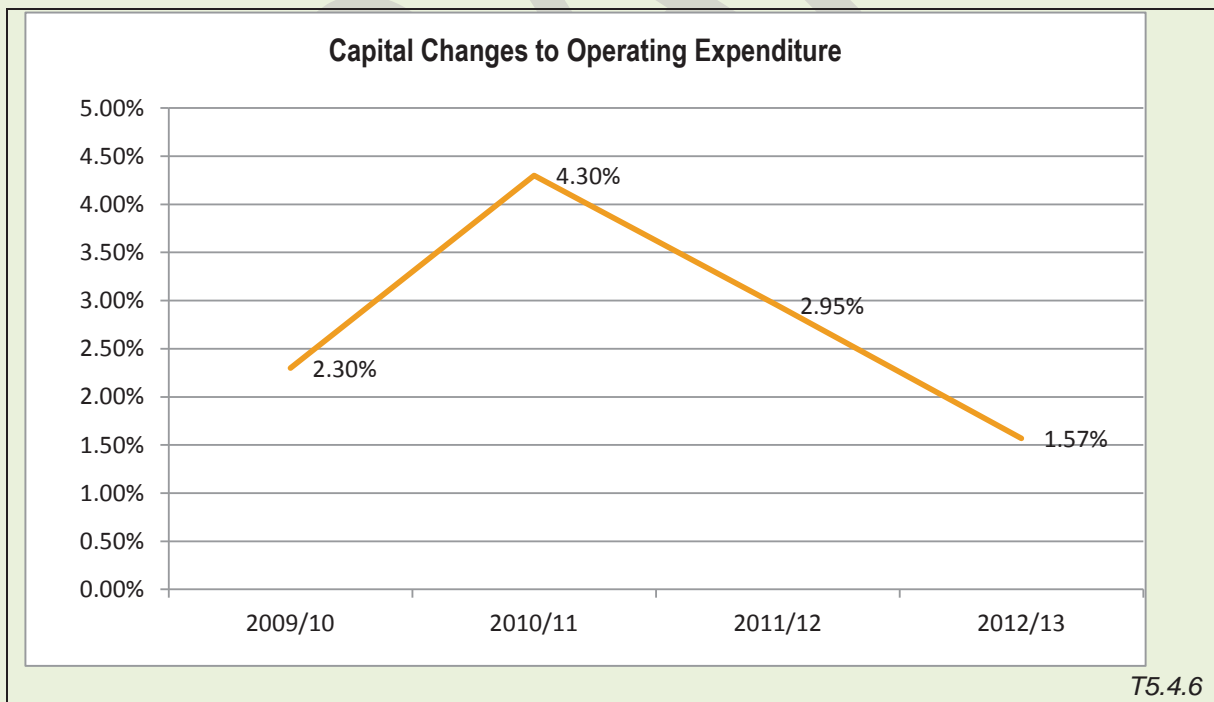


Figure 8: Capital Charges to Operating Expenditure



# Chapter 5

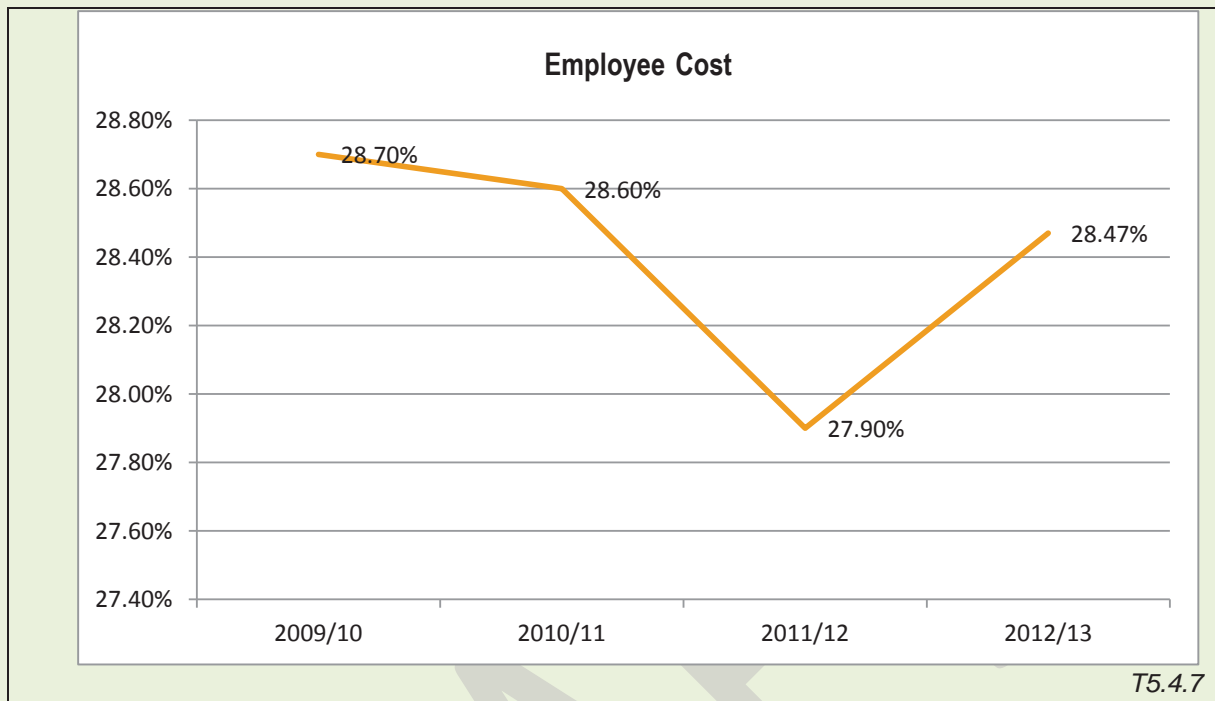


Figure 9: Employee Costs

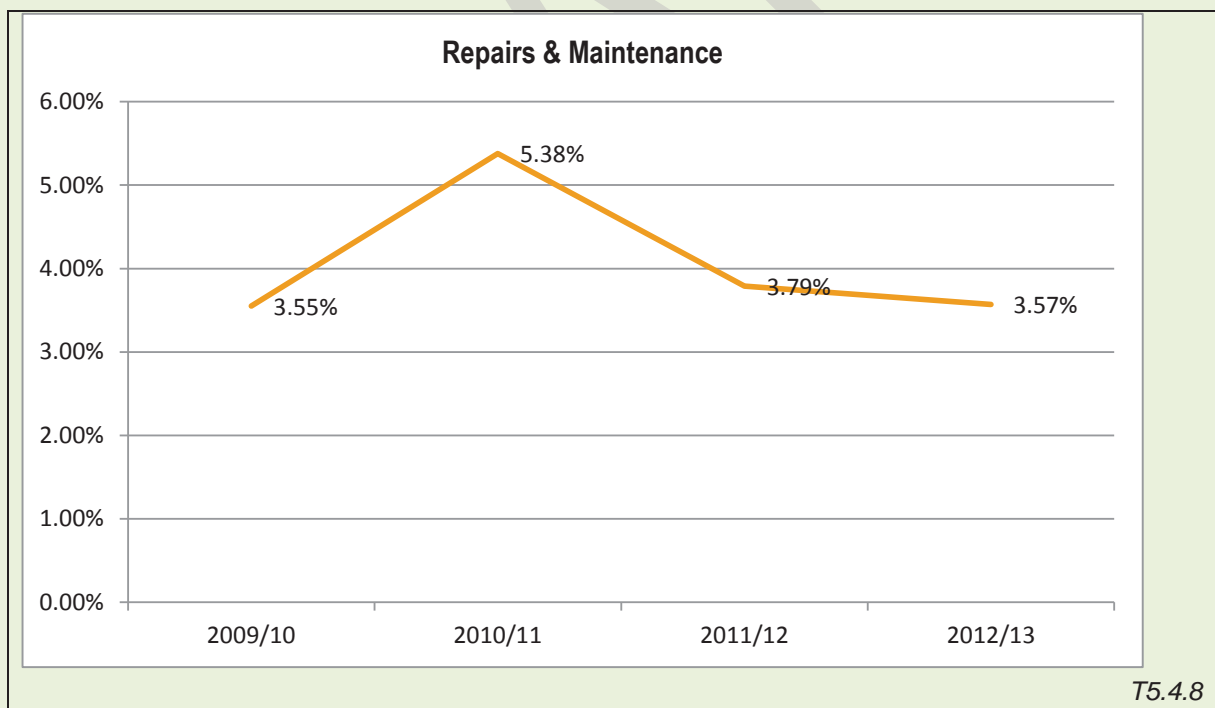


Figure 10: Repairs and Maintenance

# Chapter 5

## COMMENT ON FINANCIAL RATIOS:

**Liquidity Ratio:** It improved from 0.3 in 2009/2010 to 0.91 in 2012/2013.

**Cost Coverage:** The ratio decrease from 0.13 months in 2011/2012 to 0.09 months in 2012/2013. It is a major decrease. Contributing factors are contracts such as the hiring of equipment, Inkokheli, Isuntu and the Security and decreasing of cash and cash equivalents available.

**Total outstanding service debtors:** The outstanding debtors (after impairment) are improving as it decreases from 25.4% in 2011/12 to 21.06% in 2012/2013.

**Debt Coverage:** The debt coverage is declining. The Debt collection must improve with Operation Patala.

**Creditors System Efficiency:** The liquidity of the municipality influence the payment of creditors within 30 days..

**Capital Charges to Operating Expenditure.** The finance leases were restructure in the 2012/13 financial year

**Employee Cost:** Employee cost is still less than 30% of total expenditure.

**Repairs & Maintenance:** Repairs and maintenance slightly decreased.

## FINANCIAL POSITION

Total assets grew by R47m to R1,1 billion, with property plant and equipment having increased by R34m.

The balance of payables from exchange transactions at year end totaled R132m with cash and cash equivalents at only R9m. This poses huge cash flow challenges to the municipality. Cash flow projections and cash management will be critical going forward.

T5.4.9

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

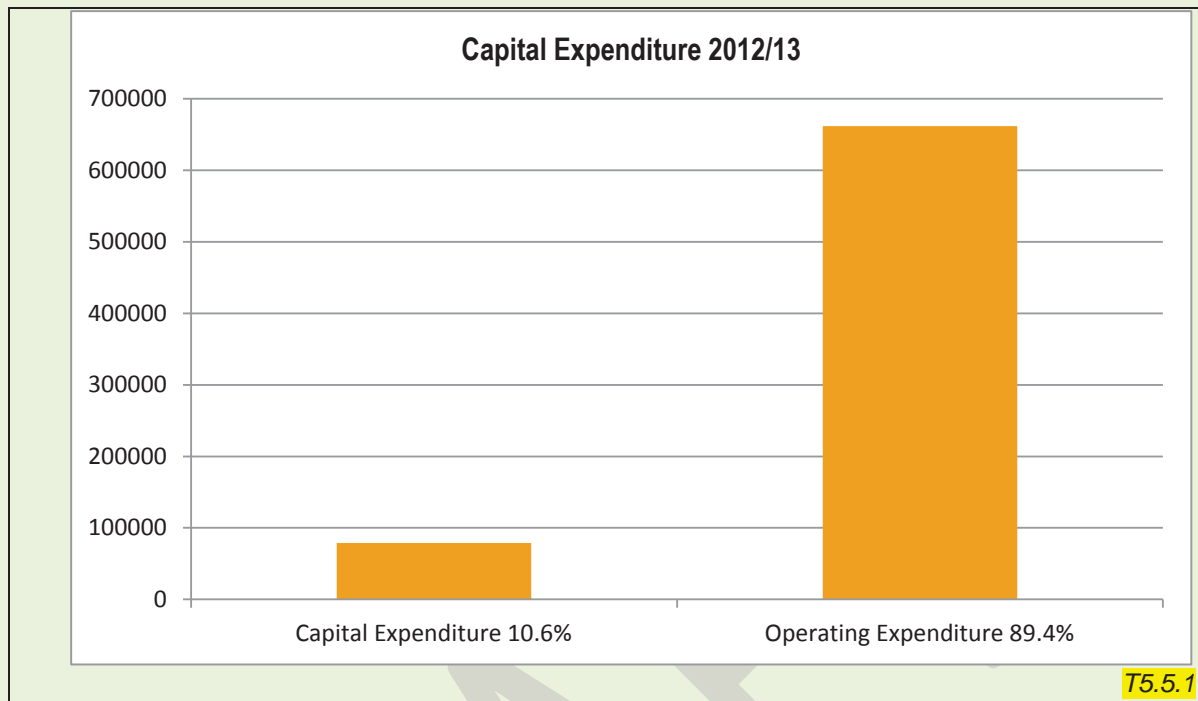
Capital projects are mostly funded from grants. The liquidity of the municipality indicated that capital from own funding is low.

T5.5.0

## 5.5 CAPITAL EXPENDITURE

|  |
|--|
|  |
|--|

# Chapter 5



# Chapter 5

## 5.6 SOURCES OF FINANCE

Table 152: Capital Expenditure – Funding Sources

| Capital Expenditure - Funding Sources: 2011/12 to 2012/12 |                                    |         |                      |                   |        |                               |                           |
|-----------------------------------------------------------|------------------------------------|---------|----------------------|-------------------|--------|-------------------------------|---------------------------|
| R' 000                                                    |                                    |         |                      |                   |        |                               |                           |
| Details                                                   |                                    | 2011/12 | 2012/13              |                   |        |                               |                           |
|                                                           |                                    | Actual  | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| Source of finance                                         |                                    |         |                      |                   |        |                               |                           |
|                                                           | External loans                     | 43 000  | 11 200               | 9 000             | (73)   | (79)                          | 43 000                    |
|                                                           | Public contributions and donations |         |                      | 500               | 100    | 100                           |                           |
|                                                           | Grants and subsidies               | 59 768  | 62 486               | 64 139            | 5      | 7                             | 59 768                    |
|                                                           | Other                              | 35 134  | 21 951               | 4 474             | (38)   | (87)                          | 35 134                    |
| Total                                                     |                                    | 137 902 | 95 637               | 78 113            |        |                               | 137 902                   |
| Percentage of finance                                     |                                    |         |                      |                   |        |                               |                           |
|                                                           | External loans                     | 31      | 12                   | 12                | (61)   | (61)                          | 31                        |
|                                                           | Public contributions and donations |         |                      |                   |        |                               |                           |
|                                                           | Grants and subsidies               | 43      | 65                   | 82                | 51     | 91                            | 43                        |
|                                                           | Other                              | 26      | 23                   | 6                 | (73)   | (77)                          | 26                        |
| Capital expenditure                                       |                                    |         |                      |                   |        |                               |                           |
|                                                           | Water and sanitation               | 23 387  | 67 866               | 49 524            | 48 855 | (1)                           | (28)                      |
|                                                           | Electricity                        | 13 632  | 20 225               | 14 662            | 7 550  | (49)                          | (63)                      |
|                                                           | Housing                            | 35 300  | 0                    | 0                 | 0      |                               |                           |
|                                                           | Roads and storm water              | 9 827   | 24 370               | 14 801            | 10 042 | (32)                          | (59)                      |
|                                                           | Other                              | 4 190   | 25 441               | 17 248            | 11 666 | (32)                          | (54)                      |
| Total                                                     |                                    | 86 336  | 137 902              | 96 415            | 78 113 |                               |                           |
| Percentage of expenditure                                 |                                    |         |                      |                   |        |                               |                           |
|                                                           | Water and sanitation               | 27.1    | 49                   | 51                | 63     | 24                            | 29                        |
|                                                           | Electricity                        | 15.8    | 15                   | 15                | 10     | (33)                          | (33)                      |
|                                                           | Housing                            | 40.9    | 0                    | 0                 | 0      |                               |                           |
|                                                           | Roads and storm water              | 11.4    | 18                   | 15                | 13     | (13)                          | (28)                      |
|                                                           | Other                              | 4.9     | 18                   | 18                | 15     | (17)                          | (17)                      |
| T 5.6.1                                                   |                                    |         |                      |                   |        |                               |                           |

T 5.6.1

### COMMENT ON SOURCES OF FUNDING:

Only R9 million of the DBSA loan was taken up in 2012/2013 financial year. The grant from COGTA of R5.4 million only R2.4 million was spent. T5.6.1.1

# Chapter 5

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Tab1153: Capital Expenditure on 5 Largest Projects.

| Capital Expenditure of 5 largest projects*                |                  |                   |                    |                       |                         |
|-----------------------------------------------------------|------------------|-------------------|--------------------|-----------------------|-------------------------|
| R' 000                                                    |                  |                   |                    |                       |                         |
| Name of Project                                           | Current: 2012/13 |                   |                    | Variance: 2012/13     |                         |
|                                                           | Original Budget  | Adjustment Budget | Actual Expenditure | Original Variance (%) | Adjustment variance (%) |
| A - Name of Project                                       |                  |                   |                    |                       |                         |
| B - Name of Project                                       |                  |                   |                    |                       |                         |
| C - Name of Project                                       |                  |                   |                    |                       |                         |
| D - Name of Project                                       |                  |                   |                    |                       |                         |
| E - Name of Project                                       |                  |                   |                    |                       |                         |
| * Projects with the highest capital expenditure in Year 0 |                  |                   |                    |                       |                         |
| <b>Name of Project - A</b>                                |                  |                   |                    |                       |                         |
| Objective of Project                                      |                  |                   |                    |                       |                         |
| Delays                                                    |                  |                   |                    |                       |                         |
| Future Challenges                                         |                  |                   |                    |                       |                         |
| Anticipated citizen benefits                              |                  |                   |                    |                       |                         |
| <b>Name of Project - B</b>                                |                  |                   |                    |                       |                         |
| Objective of Project                                      |                  |                   |                    |                       |                         |
| Delays                                                    |                  |                   |                    |                       |                         |
| Future Challenges                                         |                  |                   |                    |                       |                         |
| Anticipated citizen benefits                              |                  |                   |                    |                       |                         |
| <b>Name of Project - C</b>                                |                  |                   |                    |                       |                         |
| Objective of Project                                      |                  |                   |                    |                       |                         |
| Delays                                                    |                  |                   |                    |                       |                         |
| Future Challenges                                         |                  |                   |                    |                       |                         |
| Anticipated citizen benefits                              |                  |                   |                    |                       |                         |
| <b>Name of Project - D</b>                                |                  |                   |                    |                       |                         |
| Objective of Project                                      |                  |                   |                    |                       |                         |
| Delays                                                    |                  |                   |                    |                       |                         |
| Future Challenges                                         |                  |                   |                    |                       |                         |
| Anticipated citizen benefits                              |                  |                   |                    |                       |                         |
| <b>Name of Project - E</b>                                |                  |                   |                    |                       |                         |
| Objective of Project                                      |                  |                   |                    |                       |                         |
| Delays                                                    |                  |                   |                    |                       |                         |
| Future Challenges                                         |                  |                   |                    |                       |                         |
| Anticipated citizen benefits                              |                  |                   |                    |                       |                         |
|                                                           |                  |                   |                    |                       | T 5.7.1                 |

# Chapter 5

## COMMENT ON CAPITAL PROJECTS:

**Delete Directive note once comment is completed** – Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision year 0. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T5.7.1.1

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS– OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

**Delete Directive note once comment is completed** – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T5.8.1

**Table154: Service Backlogs**

| Service Backlogs as at 30 June Year 0                                                                                                      |                                       |       |                                        |       |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------|----------------------------------------|-------|
|                                                                                                                                            | *Service level above minimum standard |       | **Service level below minimum standard |       |
|                                                                                                                                            | No. HHs                               | % HHs | No. HHs                                | % HHs |
| Water                                                                                                                                      |                                       | %     |                                        | %     |
| Sanitation                                                                                                                                 |                                       | %     |                                        | %     |
| Electricity                                                                                                                                |                                       | %     |                                        | %     |
| Waste management                                                                                                                           |                                       | %     |                                        | %     |
| Housing                                                                                                                                    |                                       | %     |                                        | %     |
| % HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements. |                                       |       |                                        |       |

T 5.8.2

# Chapter 5

Table155: MIG Expenditure

| Municipal Infrastructure Grant (MIG)* Expenditure 2012/13 on Service backlogs |        |                       |        |          |                  | R' 000                                                                   |
|-------------------------------------------------------------------------------|--------|-----------------------|--------|----------|------------------|--------------------------------------------------------------------------|
| Details                                                                       | Budget | Adjustments<br>Budget | Actual | Variance |                  | Major conditions<br>applied by donor<br>(continue below if<br>necessary) |
|                                                                               |        |                       |        | Budget   | Adjust-<br>ments |                                                                          |
|                                                                               |        |                       |        | Budget   |                  |                                                                          |
| <b>Infrastructure - Road transport</b>                                        |        |                       |        | %        | %                |                                                                          |
| Roads, Pavements & Bridges                                                    | 6 010  | 5 020                 |        | %        | %                |                                                                          |
| Storm water                                                                   | 6 010  | 4 000                 |        | %        | %                |                                                                          |
| <b>Infrastructure - Electricity</b>                                           |        |                       |        | %        | %                |                                                                          |
| Generation                                                                    |        |                       |        | %        | %                |                                                                          |
| Transmission & Reticulation                                                   |        |                       |        | %        | %                |                                                                          |
| Street Lighting                                                               | 250    | 250                   |        | %        | %                |                                                                          |
| <b>Infrastructure - Water</b>                                                 |        |                       |        | %        | %                |                                                                          |
| Dams & Reservoirs                                                             |        |                       |        | %        | %                |                                                                          |
| Water purification                                                            | 18 706 | 14 717                |        | %        | %                |                                                                          |
| Reticulation                                                                  | 490    |                       |        | %        | %                |                                                                          |
| <b>Infrastructure - Sanitation</b>                                            |        |                       |        | %        | %                |                                                                          |
| Reticulation                                                                  | 4 810  | 11 810                |        | %        | %                |                                                                          |
| Sewerage purification                                                         |        |                       |        | %        | %                |                                                                          |
| <b>Infrastructure - Other</b>                                                 |        |                       |        | %        | %                |                                                                          |
| Waste Management                                                              |        |                       |        | %        | %                |                                                                          |
| Transportation                                                                |        |                       |        | %        | %                |                                                                          |
| Gas                                                                           |        |                       |        | %        | %                |                                                                          |
| <b>Other Specify:</b>                                                         | 625    | 1 104                 |        | %        | %                |                                                                          |
|                                                                               |        |                       |        | %        | %                |                                                                          |
|                                                                               |        |                       |        | %        | %                |                                                                          |
| <b>Total</b>                                                                  | 36 901 | 36 901                |        | %        | %                |                                                                          |

\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

## COMMENT ON BACKLOGS:

**Delete Directive note once comment is completed-** Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T5.8.4

# Chapter 5

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The cash flow position is monitored on a daily basis and determines the spending capability. Expenditure cannot exceed the cash available. Still service delivery are prioritized

T5.9



# Chapter 5

## 5.9 CASH FLOW

Table156: Cash Flow Outcomes

| Cash Flow Outcomes                                |                  |                  |                  |                  |
|---------------------------------------------------|------------------|------------------|------------------|------------------|
| R'000                                             |                  |                  |                  |                  |
| Description                                       | 2011/12          | 2012/13          |                  |                  |
|                                                   | Audited Outcome  | Original Budget  | Adjusted Budget  | Actual           |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |                  |                  |                  |                  |
| <b>Receipts</b>                                   | <b>493 623</b>   | <b>693 104</b>   | <b>687 093</b>   | <b>593 994</b>   |
| Ratepayers and other                              | 343 368          | 509 428          | 518 224          | 416 025          |
| Government - operating                            | 91 482           | 107 206          | 104 489          | 97 822           |
| Government - capital                              | 37 213           | 59 768           | 62 480           | 64 704           |
| Interest                                          | 21 560           | 16 702           | 1 900            | 15 443           |
| <b>Payments</b>                                   | <b>(426 609)</b> | <b>(624 644)</b> | <b>(610 830)</b> | <b>(528 286)</b> |
| Suppliers and employees                           | (423 297)        | (572 053)        | (575 217)        | (527 112)        |
| Finance charges                                   | (3 312)          | (21 076)         | (4 318)          | (1 174)          |
| Transfers and Grants                              |                  | (31 515)         | (31 295)         |                  |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  | <b>67 014</b>    | <b>68 460</b>    | <b>76 263</b>    | <b>65 708</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |                  |                  |                  |                  |
| <b>Receipts</b>                                   |                  |                  |                  |                  |
| Proceeds on disposal of PPE                       | 1 123            | 9 000            | 9 000            | 29               |
| Decrease (Increase) in non-current debtors        |                  |                  |                  |                  |
| Decrease (increase) other non-current receivables | 6 379            |                  |                  | 3 513            |
| Decrease (increase) in non-current investments    |                  | 7 500            | 7 500            |                  |
| <b>Payments</b>                                   |                  |                  |                  |                  |
| Capital assets                                    | (86 336)         | (114 409)        | (83 686)         | (79 066)         |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  | <b>(78 834)</b>  | <b>(97 909)</b>  | <b>(67 186)</b>  | <b>(75 524)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |                  |                  |                  |                  |
| <b>Receipts</b>                                   |                  |                  |                  |                  |
| Short term loans                                  |                  |                  |                  |                  |
| Borrowing long term/refinancing                   | (59)             | 32 000           | 11 200           | 8 017            |
| Increase (decrease) in consumer deposits          |                  | 1 000            | 0                |                  |
| <b>Payments</b>                                   |                  |                  |                  |                  |
| Repayment of borrowing                            | (15 631)         | (11 688)         | (19 000)         | 3307             |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  | <b>(15 690)</b>  | <b>21 312</b>    | <b>(7 800)</b>   | <b>11 324</b>    |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      | <b>(27 510)</b>  | <b>(8 137)</b>   | <b>1 277</b>     | <b>1 508</b>     |
| Cash/cash equivalents at the year begin:          | <b>35 186</b>    | <b>30 248</b>    | <b>7 676</b>     | <b>7 676</b>     |
| Cash/cash equivalents at the year end:            | <b>7 676</b>     | <b>22 111</b>    | <b>8 953</b>     | <b>9 184</b>     |

Source: MBRR A7

T 5.9.1

# Chapter 5

## COMMENT ON CASH FLOW OUTCOMES:

The 2011/2012 financial year did not closed with a bank overdraft. The municipality did not make use of the overdraft facility. The Accumulated surplus is not cash backed and did increase slightly.

T5.9.1.1

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

A loan of R9 million was taken up at the Development Bank of South Africa for purchase of vechiles.

T5.10.1

Table 157: Actual Borrowings

| Actual Borrowings: 2010/11 to 2012/13      |               |              |               |
|--------------------------------------------|---------------|--------------|---------------|
|                                            |               |              | R' 000        |
| Instrument                                 | 2010/11       | 2011/12      | 2012/13       |
| <b>Municipality</b>                        |               |              |               |
| Long-Term Loans (annuity/reducing balance) | 0             | 0            | 9 000         |
| Long-Term Loans (non-annuity)              |               |              |               |
| Local registered stock                     |               |              |               |
| Instalment Credit                          |               |              |               |
| Financial Leases                           | 24 835        | 9 209        | 12 517        |
| PPP liabilities                            |               |              |               |
| Finance Granted By Cap Equipment Supplier  |               |              |               |
| Marketable Bonds                           |               |              |               |
| Non-Marketable Bonds                       |               |              |               |
| Bankers Acceptances                        |               |              |               |
| Financial derivatives                      |               |              |               |
| Other Securities                           |               |              |               |
| <b>Municipality Total</b>                  | <b>24 835</b> | <b>9 209</b> | <b>21 517</b> |

T 5.10.2

T5.10.3

# Chapter 5

Table 158: Municipal Investments

| Municipal Investments                      |               |               |               |
|--------------------------------------------|---------------|---------------|---------------|
| Investment* type                           | 2010/11       | 2011/12       | 2012/13       |
|                                            | Actual        | Actual        | Actual        |
| <b>Municipality</b>                        |               |               |               |
| Securities - National Government           |               |               |               |
| Listed Corporate Bonds                     |               |               |               |
| Deposits - Bank                            | 38 045        | 7 963         | 433           |
| Deposits - Public Investment Commissioners |               |               |               |
| Deposits - Corporation for Public Deposits |               |               |               |
| Bankers Acceptance Certificates            |               |               |               |
| Negotiable Certificates of Deposit - Banks |               |               |               |
| Guaranteed Endowment Policies (sinking)    |               |               |               |
| Repurchase Agreements - Banks              |               |               |               |
| Municipal Bonds                            |               |               |               |
| Other                                      | 8 246         | 9 045         | 10 120        |
| <b>Municipality Total</b>                  | <b>46 291</b> | <b>17 008</b> | <b>10 553</b> |
|                                            |               |               | T 5.10.4      |

## COMMENT ON BORROWING AND INVESTMENTS:

The HP/Datacentrix lease did increase due to a revised agreement. Investments included in note 10 of the audited financial statements plus short-term deposits in note 8.

T5.10.5

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### PUBLIC PRIVATE PARTNERSHIPS

The municipality did not enter into any PPPs during the financial year under review.

T5.11.1

# Chapter 5

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

The reviewed supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in February 2012. All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers.

The issues raised by the Auditor-General concerning the quality of Supply Chain Management are dealt with in Chapter 3.

The number of SCM officials who have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and the number of prescribed officials that are yet to reach the necessary competency levels are captured in Chapter 4 (Capacitating of the workforce).

*T5.12.1*

# Chapter 5

## 5.13 GRAP COMPLIANCE

### GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

he key challenges for implementation of GRAP requirements are the following:

- Asset Register. Full compliance GRAP achieved, 30 June 2011
- Investment property guidelines implemented - 30 June 2011
- Employee benefits fully captured. 30 June 2011
- Unbundling of PPE as per guidelines 30 June 2011
- Not all stands are transferred in terms of housing scheme - 30 June 2014
- Lease: Government Garage treated as operating lease
- Debtors impaired
- Billing information to be updated to accurate information for statements.
- Debtors and creditors discounted/fair valued.

T5.13.1

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The 2012/13 Annual Financial Statements to be submitted to the Auditor-General on 31 August 2013 as required by the MFMA. The financial statements are included under Volume II of this Annual Report.

The full audit report of the Auditor-General issued on 30 November 2013 is included in this Chapter under component B.

T6.0.1

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/12

### 6.1 AUDITOR GENERAL REPORTS 2011/12

Table 159: Auditor-General Report on Financial Performance

| Auditor-General Report on Financial Performance: 2011/12                                                                                                                                                                    |                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Audit Report Status*: Qualified</b>                                                                                                                                                                                      |                                                                                                                                                                                                                                                                       |
| <b>Non-Compliance Issues</b>                                                                                                                                                                                                | <b>Remedial Action Taken</b>                                                                                                                                                                                                                                          |
| Revenue<br><i>Occurrence, completeness, accuracy, classification of other income and rental income</i>                                                                                                                      | Service income cleared, other income and rental income still remain. Design and implement systems as no system of control over the rental contracts and reconciliations not done of other income from source to ledger – some of these processes should be done daily |
| Provisions<br><i>Completeness (rehabilitation of landfill sites)</i>                                                                                                                                                        | Valuation and obligation of performance bonuses was cleared while the rehabilitation of landfill sites was not addressed                                                                                                                                              |
| Trade and other payables<br><i>Completeness, existence, obligations and valuations of trade and other payables</i>                                                                                                          | Payments received in advance and accrual for leave pay was cleared. Proper filing and maintenance of supporting documentation required                                                                                                                                |
| Losses<br><i>Water and electricity losses not disclosed in the Consolidated Annual Financial Statements</i>                                                                                                                 | Calculations to be made to quantify the correct losses, taking into consideration all other factors involved. Initiative with Rand Water and Eskom to have proper quantification                                                                                      |
| Trade and other receivables<br><i>Limitation of scope -Existence, rights and valuation and completeness of consumer debtors (age analysis recon to ledger), unknown receipts, departmental income and suspense accounts</i> | The limitation has been cleared. Now only an aggregation of uncorrected mistakes; The position of Manager Assets and Financial Statements to be filled as a matter of urgency                                                                                         |

# Chapter 6

|                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aggregation/Accumulation of immaterial uncorrected misstatements                                                                                               | The limitation has been cleared. Now only an aggregation of uncorrected mistakes affecting employee costs, general expenses, trade and other receivables, and VAT. Reconciliations between sub-systems and ledger are to be done at least monthly. All reconciling items must be investigated and corrected.                                                          |
| Irregular expenditure<br><i>Investigations of irregular expenditure and Reports to Council not done. Irregular expenditure not prevented</i>                   | Although no longer a qualification, many changes were required to the disclosure on the AFS. Reports on the Investigations to be submitted to Council on time to clear the expense, either through recovery or write-off. Actions needs to be taken to prevent irregular expenditure from occurring                                                                   |
| <b>Material Non-Compliance Issues</b>                                                                                                                          | <b>Remedial Action Taken</b>                                                                                                                                                                                                                                                                                                                                          |
| Going concern<br>Net Loss of R59 792 439<br>Net cash outflow of R27 519 294                                                                                    | The following initiatives to be implemented to improve the liquidity position of the Municipality:<br>Operation Patala<br>Data Purification<br>Credit control to be strictly enforced<br>Losses control ( Water and Electricity)<br>Cost curtailment on non service delivery expenditure                                                                              |
| Compliance with laws and regulations<br><i>Procurement and contract management<br/>Annual Financial Statements, Performance and Annual Report</i>              | Compliance Officer to be appointed to monitor and enforce compliance<br>Training for all Departments on the Supply Chain Policies and procedures                                                                                                                                                                                                                      |
| Compliance with laws and regulations<br><i>Expenditure management</i>                                                                                          | All Invoices more than 30 days outstanding will be prioritised .Reasons for late payments of invoices will be recorded and reported to Senior Management                                                                                                                                                                                                              |
| Compliance with laws and regulations<br><i>Reporting</i>                                                                                                       | Cash flow management procedures to be implemented, Budget and loss control committee to be revived.                                                                                                                                                                                                                                                                   |
| Leadership<br><i>Policies not approved<br/>Adequacy of Internal controls<br/>No adequate Values and Integrity<br/>Lack of discipline<br/>Shortage of staff</i> | Risk Management Strategy to be fully implemented<br>Fraud awareness<br>Internal Audit to prioritise and assist all Departments to improve the internal control measures<br>Implementation of Performance Management System to all levels of staff<br>Filling of critical vacancies to be prioritised<br>All reviewed Policies to be submitted to Council for approval |

# Chapter 6

**Table 160: Auditor-General Report on Service Delivery Performance**

| Auditor-General Report on Service Delivery Performance: 2011/12                                                                                                               |                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Report Status *:Qualified                                                                                                                                               |                                                                                                                                                                                                                                                                                   |
| Non-Compliance Issues                                                                                                                                                         | Remedial Action Taken                                                                                                                                                                                                                                                             |
| Non disclosure of measures taken to improve performance in cases where targets were not achieved                                                                              | In the majority of cases measures taken to improve performance were disclosed, except where departments failed to provide such measures. The municipality will ensure that in future all departments disclose the improvement measures in all cases of non- or under performance. |
| No evidence to support variances in the performance report                                                                                                                    | The portfolios of evidence submitted by departments did not contain all the necessary supporting documents. Departmental capacity will be enhanced and training provided to the relevant officials.                                                                               |
| Targets not consistent with the IDP                                                                                                                                           | The majority of the SDBIP targets are consistent with the IDP. Any deviations will be monitored and reported accordingly.                                                                                                                                                         |
| * This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance 2011/12 |                                                                                                                                                                                                                                                                                   |
| ** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.                                                                                               |                                                                                                                                                                                                                                                                                   |
| T 6.1.2                                                                                                                                                                       |                                                                                                                                                                                                                                                                                   |



# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION 2012/13

### 6.2 AUDITORGENERAL REPORT 2012/13

**Table 161: Auditor-General Report on Financial Performance**

| Auditor-General Report on Financial Performance 2012/13*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Status of audit report*:Qualified</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                |
| <b>Material Non-Compliance Issues</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Remedial Action Taken</b>                                                                                                                                                                                                   |
| <b>Irregular Expenditure (Basis for the Audit Qualification)</b><br><p>I was unable to obtain sufficient appropriate audit evidence that management has identified and recorded all instances of irregular expenditure for the current and prior year as the controls over the system was ineffective and management did not review the entire population to ensure that all instances of irregular expenditure were identified and recorded. I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustments to irregular expenditure stated at R239 611 446 (2012:R162 913 899) as disclosed in note 52 to the financial statements were necessary.</p> | <p>The whole population of payments for 2012/2013 and 2013/2014 will be reviewed to identify and record all instances of irregular expenditure.</p>                                                                            |
| <b>Annual financial statements, performance and annual reports</b><br><p>The financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.</p>                                                                                                                                                          | <p>All documentation will be checked for completeness before any payments are made. Year-end procedures will be improved so as to minimize the adjustments to the draft financial statements that are submitted for audit.</p> |
| <p>The annual performance report for the year under review does not include the performance of the municipality and each external service provider, as required by section 46 (1)(a) of the MSA and section 121(3)(c) of the MFMA.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>All directors will submit monthly reports to council on the performance of external service providers</p>                                                                                                                   |
| <p>The council's oversight report on the 2011-12 annual report was not made public within seven days of its adoption, as required by section 129(3) of the MFMA.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>The council's oversight report on the 2012/2013 annual report will be made public within seven days of its adoption</p>                                                                                                     |

# Chapter 6

## Expenditure Management

Money owing by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.

Controls will be put in place to ensure all invoices reach the expenditure section in time to process and pay them within 30 days.

Cash flow constraints do pose a challenge in terms of paying all creditors within 30 days

Cash flow forecasts will be done and cash flow management improved

All directors to monitor spending pattern

Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Controls will be put in place to prevent and detect unauthorized, irregular and fruitless and wasteful expenditure at source

## Procurement and Contract Management

Sufficient appropriate audit evidence could not, in all instances, be obtained that bid specifications for procurement of goods and services through competitive bids were drafted in an unbiased manner that allowed all potential suppliers to offer their goods or services, as per required by supply chain management (SCM) regulation 27(2)(a).

- The specification committee will ensure that all specifications for procurement of goods and services are in line with SCM Regulation 27(2)(a)
- Training will be given where necessary.
- Capacity constraints and filling of vacancies in the SCM department will be prioritised.
- The appointment of a supply chain manager has become critical.

Sufficient appropriate audit evidence could not, in all instances, be obtained that bid specifications were drafted by bid specification committees which consisted of one or more officials of the municipality, as required by SCM regulation 27(3).

Minutes of the bid specification committee will be filed in a safe place to be available for audit purposes.

Filling of critical vacancies in the SCM department need to be fast tracked

# Chapter 6

|                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sufficient appropriate audit evidence could not, in all instances, be obtained that contracts and quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding and quotations, as required by SCM regulations 21(b) and 28(1)(a) and Preferential Procurement Regulations.                                                        | Minutes of the bid adjudication and evaluation committees will be filed in a safe place to be available for audit purposes                                                                                   |
| Sufficient appropriate audit evidence could not, in all instances, be obtained that bid adjudication was always done by committees which were formed in accordance with SCM regulation 29(2).                                                                                                                                                                                                          | Minutes of the bid adjudication committee will be filed in a safe place to be available for audit purposes.<br>All delegations and appointments onto committees by the Municipal Manager will be in writing. |
| <b>Human Resource Management and Compensation</b><br>Sufficient appropriate audit evidence could not be obtained that newly appointed municipal managers/managers directly accountable to municipal managers submitted proof of previous employment and disclosure of financial interests prior to appointment, as per the requirements of Municipal Performance Regulations, regulation 4 of GNR 805. | Proof of previous employment and disclosure of financial interests will be requested prior to appointment                                                                                                    |
| Sufficient appropriate audit evidence could not be obtained that the senior managers were not dismissed for financial misconduct in a previous position and re-appointed before the expiry of 10 years, in contravention of section 57A of the MFMA.                                                                                                                                                   | Sufficient evidence will be obtained that senior managers were not dismissed for financial misconduct in a previous position and re appointed before the expiry of 10 years                                  |
| The competencies of financial and SCM officials were not assessed in a timely manner in order to identify and address gaps in competency levels, as required by the regulation 13 of the Municipal Regulations on Minimum Competency Levels.                                                                                                                                                           | The plan set out to reach the competency has been developed and implemented. Progress has been made in this regard.                                                                                          |
| The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury, as required by regulation 14(2)(a) of the Municipal Regulations on Minimum Competency Levels.                                                                                                                                                      | A report on compliance will be submitted to National Treasury and the Provincial Treasury.                                                                                                                   |

# Chapter 6

|                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies, as required by regulation 14(2)(b)/14(3) of the Municipal Regulations on Minimum Competency Levels.                                                                                | Information on compliance with the prescribed minimum competencies will be included in the annual report.                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Liability Management</b><br><br>Short-term debt was incurred without a resolution of the municipal council approving the debt agreement, in contravention of section 45(2) of the MFMA.                                                                                                               | A report will be taken to council to ratify the debt agreement                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Internal Control</b><br><br>The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not adequate to prevent irregular expenditure and to set the standard for sound corporate governance as it was not prevented by management | The occurrence of irregular expenditure is not a reflection on integrity and ethical values but rather as a result of contracts that expired that were not renewed, or not having contracts in place. There has also been changes in management.<br><br>Senior managers will set a standard for sound corporate governance to prevent irregular expenditure<br><br>All procurement for which tenders need to be in place is to be reviewed and the situation will be rectified. |
| The accounting officer did not take appropriate action to address the lack of discipline at the SCM section, resulting in non-compliance with applicable legislation. This, in turn, resulted in irregular expenditure. This occurred due to limited capacity at the SCM unit.                           | Municipal Manager will address the lack of discipline in the SCM section and monthly reporting from the SCM unit will be required.<br><br>Filling of critical vacancies in the SCM department need to be fast tracked                                                                                                                                                                                                                                                           |
| The slow response of the accounting officer to take appropriate action to identify all irregular expenditure in the previous financial year resulted in a qualification on the completeness of irregular expenditure.                                                                                    | The whole population of payments for 2012/2013 and 2013/2014 will be reviewed to identify and record all instances of irregular expenditure                                                                                                                                                                                                                                                                                                                                     |

# Chapter 6

|                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Internal policies and procedures for performance information management and reporting were not developed approved and implemented due to a slow response by management on the recommendations in the previous audit report.                                                                                                                                                        | Internal policy and procedures for performance information management and reporting will be done                                 |
| <b>Financial and Performance Management</b><br>The staff members of the municipality were not sufficiently skilled to ensure that the daily financial activities were fully and correctly recorded in the records of the municipality. Management also did not ensure that adequate controls were in place to detect and correct all errors in the financial records.              | Staff training will be done. Policies and procedures will be reviewed and implemented to enhance the internal control framework. |
| The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the design and implementation of internal control in respect of financial management and financial reporting and weaknesses in the information systems of the municipality.                                                              | Staff training will be done. Policies and procedures will be reviewed and implemented to enhance the internal control framework. |
| The action plan that was in place to address shortcomings in the performance management and reporting process were not effective due to a lack of monitoring by management.                                                                                                                                                                                                        | The accounting officer will address the shortcomings in the performance management and reporting process                         |
| The municipality did not have a proper system of record management that provides for the maintenance of information that supports the reported performance due to a lack of capacity in the performance information unit.                                                                                                                                                          | A proper record system will be implemented                                                                                       |
| <i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Current Year.</i> |                                                                                                                                  |

T 6.2.1

# Chapter 6

**Table 162: Auditor-General Report on Service Delivery Performance**

| <b>Auditor-General Report on Service Delivery Performance: 2012/13*</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Status of audit report*:Qualified</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                             |
| <b>Non-Compliance Issues</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Remedial Action Taken</b>                                                                                                                |
| <b>Usefulness of information</b><br>Measures to improve performance for a total of 26% of the planned targets not achieved were not reflected in the annual performance report. This was due to the lack of review of the performance measures by management.                                                                                                                                                                                                                                                  | The IDP and performance measures will also be reviewed and submitted to council together with the tabling of the draft budget to council.   |
| Adequate and reliable corroborating evidence could not be provided for 71% measures taken to improve performance as disclosed in the annual performance report. The municipality records did not permit the application of alternative audit procedures. Consequently, Auditor General could not obtain sufficient appropriate audit evidence to satisfy himself as to the reliability of the measures taken to improve performance.                                                                           | All directors will prepare a file throughout the year as a portfolio of evidence on performance to be available for audit for the 2014 year |
| <b>Reliability of information</b><br>Auditor General was unable to obtain the information and explanations which considered necessary to satisfy himself as to the reliability of information presented with respect to KPA 2 - basic service delivery and infrastructure investment. This was due to the fact that the municipality could not provide sufficient appropriate evidence in support of the information presented with respect to the KPA 2 basic service delivery and infrastructure investment. | All directors will prepare a file throughout the year as a portfolio of evidence on performance to be available for audit                   |
| <p>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 2012/13</p> <p>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</p>                                                                                                                                                                                                                               |                                                                                                                                             |

T 6.2.2

# Chapter 6

## AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2012/13

### REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE METSIMAHOLO LOCAL MUNICIPALITY

#### REPORT ON THE FINANCIAL STATEMENTS

##### Introduction

1. I have audited the financial statements of the Metsimaholo Local Municipality set out on pages (1 to 120 of volume II), which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, the statement of comparison of budget and actual amounts, and the notes, comprising a summary of significant accounting policies and other explanatory information.

##### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting



# Chapter 6

estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## Basis for qualified opinion

### IRREGULAR EXPENDITURE

6. I was unable to obtain sufficient appropriate audit evidence that management has identified and recorded all instances of irregular expenditure for the current and prior year as the controls over the system was ineffective and management did not review the entire population to ensure that all instances of irregular expenditure were identified and recorded. I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustments to irregular expenditure stated at R239 611 446 (2012:R162 913 899) as disclosed in note 52 to the financial statements were necessary.

## Qualified opinion

7. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Metsimaholo Local Municipality as at 30 June 2013 and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

9. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages xx to xx of the annual report.
10. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).

The reliability of the information in respect of the selected development objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid,



# Chapter 6

accurate and complete).

11. The material findings are as follows:

## **Usefulness of information**

12. Section 46 of the Municipal Systems Act, 2000 (Act no 32 of 2000)(MSA) requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved.
- Measures to improve performance for a total of 26% of the planned targets not achieved were not reflected in the annual performance report. This was due to the lack of review of the performance measures by management.
  - Adequate and reliable corroborating evidence could not be provided for 71% measures taken to improve performance as disclosed in the annual performance report. The municipality records did not permit the application of alternative audit procedures. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the reliability of the measures taken to improve performance.

## **Reliability of information**

13. The FMPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.
14. I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of information presented with respect to KPA 2 - basic service delivery and infrastructure investment. This was due to the fact that the municipality could not provide sufficient appropriate evidence in support of the information presented with respect to the KPA 2 basic service delivery and infrastructure investment.

## **Compliance with laws and regulations**

15. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the general notice issued in terms of the PAA, are as follows:

## **Strategic planning and performance management**

16. The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal controls, as required by section 62(1)(c)(i) of the MFMA.

## **Annual financial statements, performance and annual reports**

17. The financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided

# Chapter 6

subsequently, but the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

18. The annual performance report for the year under review does not include the performance of the municipality and each external service provider, as required by section 46 (1)(a) of the MSA and section 121(3)(c) of the MFMA.
19. The council's oversight report on the 2011-12 annual report was not made public within seven days of its adoption, as required by section 129(3) of the MFMA.

## **Expenditure management**

20. Money owing by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.
21. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

## **Procurement and contract management**

22. Sufficient appropriate audit evidence could not, in all instances, be obtained that bid specifications for procurement of goods and services through competitive bids were drafted in an unbiased manner that allowed all potential suppliers to offer their goods or services, as per required by supply chain management (SCM) regulation 27(2)(a).
23. Sufficient appropriate audit evidence could not, in all instances, be obtained that bid specifications were drafted by bid specification committees which consisted of one or more officials of the municipality, as required by SCM regulation 27(3).
24. Sufficient appropriate audit evidence could not, in all instances, be obtained that contracts and quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding and quotations, as required by SCM regulations 21(b) and 28(1)(a) and Preferential Procurement Regulations.
25. Sufficient appropriate audit evidence could not, in all instances, be obtained that bid adjudication was always done by committees which were formed in accordance with SCM regulation 29(2).

## **Human resource management and compensation**

26. Sufficient appropriate audit evidence could not be obtained that newly appointed municipal managers/managers directly accountable to municipal managers submitted proof of previous employment and disclosure of financial interests prior to appointment, as per the requirements of Municipal Performance Regulations, regulation 4 of GNR 805.
27. Sufficient appropriate audit evidence could not be obtained that the senior managers were not dismissed for financial misconduct in a previous position and re-appointed before the expiry of 10 years, in contravention of section 57A of the MFMA.
28. The competencies of financial and SCM officials were not assessed in a timely manner in order to identify and address gaps in competency levels, as required by the regulation 13 of the Municipal Regulations on Minimum Competency Levels.

# Chapter 6

29. The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury, as required by regulation 14(2)(a) of the Municipal Regulations on Minimum Competency Levels.
30. The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies, as required by regulation 14(2)(b)/14(3) of the Municipal Regulations on Minimum Competency Levels.

## **Liability management**

31. Short-term debt was incurred without a resolution of the municipal council approving the debt agreement, in contravention of section 45(2) of the MFMA.

## **Internal control**

32. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

## **Leadership**

33. The occurrence of material irregular expenditure during the year under review indicates that integrity and ethical values were not adequate to prevent irregular expenditure and to set the standard for sound corporate governance as it was not prevented by management.
34. The accounting officer did not take appropriate action to address the lack of discipline at the SCM section, resulting in non-compliance with applicable legislation. This, in turn, resulted in irregular expenditure. This occurred due to limited capacity at the SCM unit.
35. The slow response of the accounting officer to take appropriate action to identify all irregular expenditure in the previous financial year resulted in a qualification on the completeness of irregular expenditure.
36. Internal policies and procedures for performance information management and reporting were not developed approved and implemented due to a slow response by management on the recommendations in the previous audit report.

## **Financial and performance management**

37. The staff members of the municipality were not sufficiently skilled to ensure that the daily financial activities were fully and correctly recorded in the records of the municipality. Management also did not ensure that adequate controls were in place to detect and correct all errors in the financial records.
38. The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the design and implementation of internal control in respect of financial management and financial reporting and weaknesses in the information systems of the municipality.

# Chapter 6

39. The action plan that was in place to address shortcomings in the performance management and reporting process were not effective due to a lack of monitoring by management.
40. The municipality did not have a proper system of record management that provides for the maintenance of information that supports the reported performance due to a lack of capacity in the performance information unit.

Bloemfontein

30 November 2013



## COMMENTS ON AUDITOR-GENERAL'S OPINION 2012/13:

The municipality's Audit Opinion has stayed unchanged as a Qualification in the 2012/13 financial year. Only one qualification was received and will be cleared during the 2013/14 financial year to enable the Municipality to obtain a Clean Audit by 2013/14. The qualification is on the completeness of irregular expenditure. Our Asset Register was for the third time in succession, given a thumb up by the Auditor General for the 2012/13 financial year. It is worth mentioning that we are one of the few municipalities in the Free State with a GRAP compliant asset Register to the satisfaction of the Auditor General.

The following interventions will be made to ensure that the Audit Outcomes for the 2013/14 financial year are further improved:

- Compile and cost where applicable, a clean Audit Action Plan for implementation. This plan will be properly monitored to ensure full implementation.
- Procedures will be put in place to record and rectify irregular expenditure.
- An interim Audit will be conducted for the 2013/14 financial year. This will allow the Municipality to address deficiencies identified by the Audit process timeously, viz the irregular expenditure of 2012/13
- Interim financial Statements will be produced for the first six months of the financial year. This will be used as a basis for the Interim Audit as indicated above

# Chapter 6

Capacitation and Training for the Supply Chain Unit will be prioritized, including all Committees and non-financial managers dealing with Procurement. Treasury will be approached for assistance  
-A dedicated Official will be appointed to deal with Contract Management and Document Management in the Supply Chain Unit

The support given to the various Supply Chain Committees will be improved, especially regarding the administration and scheduling of meetings, reports and minutes

T6.2.4

## COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T6.2.5

# Chapter 6

## COMMENTS OF THE ACCOUNTING OFFICER IN TERMS OF SECTION 121 (3) (e) OF THE MFMA:

The growth in the debtors' book in relation to service charges grew by R68 million from R333 million to R401 million. The allowance for impairment increased from R258 million to R320 million.

The balance outstanding in respect of rates decreased by R12 million from R73 million to R61 million. The allowance for impairment reduced from R56 million to R48 million.

The growth in the debtors' book is also influenced by the interest levied for the year totaling R14 million.

The allowance for impairment stands at 80% of the gross debtors' book.

Credit Control and debt management will be enforced going forward. A revenue enhancement campaign will also be implemented in the 2013/14 financial year.

The tough economic climate and high unemployment rate also has a bearing on payment levels which declined from 90% to 84%.

# GLOSSARY

## GLOSSARY

|                                           |                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accessibility indicators</b>           | Explore whether the intended beneficiaries are able to access services or outputs.                                                                                                                                                                                                               |
| <b>Accountability documents</b>           | Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.                                    |
| <b>Activities</b>                         | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.                                                                                                                               |
| <b>Adequacy indicators</b>                | The quantity of input or output relative to the need or demand.                                                                                                                                                                                                                                  |
| <b>Annual Report</b>                      | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.                                              |
| <b>Approved Budget</b>                    | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.                                                                                                                                               |
| <b>Baseline</b>                           | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.                                                                                             |
| <b>Basic municipal service</b>            | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.                                                                           |
| <b>Budget year</b>                        | The financial year for which an annual budget is to be approved – means a year ending on 30 June.                                                                                                                                                                                                |
| <b>Cost indicators</b>                    | The overall cost or expenditure of producing a specified quantity of outputs.                                                                                                                                                                                                                    |
| <b>Distribution indicators</b>            | The distribution of capacity to deliver services.                                                                                                                                                                                                                                                |
| <b>Financial Statements</b>               | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.                                                                                                         |
| <b>General Key performance indicators</b> | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.                                                                                                              |
| <b>Impact</b>                             | The results of achieving specific outcomes, such as reducing poverty and creating jobs.                                                                                                                                                                                                          |
| <b>Inputs</b>                             | All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.                                                                                                                 |
| <b>Integrated Development Plan (IDP)</b>  | Set out municipal goals and development plans.                                                                                                                                                                                                                                                   |
| <b>National Key performance areas</b>     | <ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul> |
| <b>Outcomes</b>                           | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.                                       |



# GLOSSARY

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outputs</b>                                     | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.                                                                                                                                                                                                                                                                                                                                           |
| <b>Performance Indicator</b>                       | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Performance Information</b>                     | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Performance Standards:</b>                      | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.                                                                                                                                                                       |
| <b>Performance Targets:</b>                        | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Service Delivery Budget Implementation Plan</b> | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Vote:</b>                                       | <p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p> |



# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

**Table 163: Councillors, Committees and Attendance**

| Councillors, Committees Allocated and Council Attendance |                       |                                                           |                                |                                        |                                         |
|----------------------------------------------------------|-----------------------|-----------------------------------------------------------|--------------------------------|----------------------------------------|-----------------------------------------|
| Council Members                                          | Full Time / Part Time | Committees Allocated                                      | *Ward and/or Party Represented | Percentage Council Meetings Attendance | Percentage Apologies for non-attendance |
|                                                          | FT/PT                 |                                                           |                                | %                                      | %                                       |
| Ms Matsedisio Alina Tamane                               | PT                    | Technical Services<br>LED, Tourism & Agriculture          | 1                              | 95                                     | 100                                     |
| Mr Malebo Daniel Nthebe                                  | PT                    | Urban Planning and Human Settlements<br>Public Safety     | 2                              | 45                                     | 50                                      |
| Mr Mosiuoa Solomon Poho                                  | PT                    | Finance and Audit<br>Sports, Arts & Culture               | 3                              | 95                                     | 100                                     |
| Mr Dawid Ntja Motloung                                   | PT                    | Finance and Audit<br>Technical Services                   | 4                              | 90                                     | 95                                      |
| Ms Selina Moreki                                         | PT                    | Urban Planning and Human Settlements                      | 5                              | 95                                     | 100                                     |
| Ms Masontaga Nomsa Sejaki                                | PT                    | Urban Planning and Human Settlements<br>Public Safety     | 6                              | 100                                    |                                         |
| Mr Thabo Emmanuel Mosia                                  | PT                    | Finance and Audit<br>Technical Services                   | 7                              | 95                                     | 95                                      |
| Mr Lebohang Samuel Semonyo                               | FT                    | Finance and Audit                                         | 8                              | 95                                     | 100                                     |
| Ms S S Mofokeng                                          | PT                    |                                                           | 9                              | 95                                     | 100                                     |
| Ms M N Mtshali                                           | PT                    | Cleansing, Parks & Cemeteries                             | 10                             | 100                                    |                                         |
| Mr Thabo Kenneth Mabasa                                  | FT                    | (MPAC)                                                    | 11                             | 95                                     | 100                                     |
| Ms Sophia Bulelwa Khunou                                 | PT                    | Corporate Services<br>Sports, Arts & Culture              | 12                             | 100                                    |                                         |
| Ms Julia Masetlhare Phepheng-Lelahla                     | PT                    | Urban Planning and Human Settlements<br>Finance and Audit | 13                             | 75                                     | 100                                     |
| Mr Jan Daniel Viljoen                                    | PT                    | Finance and Audit                                         | 14                             | 75                                     | 100                                     |
| Mr Jacobus Johannes Grobbelaar                           | PT                    | Sports, Arts & Culture                                    | 15                             | 90                                     | 100                                     |

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| Councillors, Committees Allocated and Council Attendance |                          |                                                                       |                                       |                                                      |                                                       |
|----------------------------------------------------------|--------------------------|-----------------------------------------------------------------------|---------------------------------------|------------------------------------------------------|-------------------------------------------------------|
| Council Members                                          | Full Time /<br>Part Time | Committees Allocated                                                  | *Ward and/<br>or Party<br>Represented | Percentag<br>e Council<br>Meetings<br>Attendanc<br>e | Percentag<br>e<br>Apologies<br>for non-<br>attendance |
|                                                          | FT/PT                    |                                                                       |                                       | %                                                    | %                                                     |
| Mr Hans Jurie Moolman                                    | PT                       | Public Safety                                                         | 16                                    |                                                      |                                                       |
| Ms Maria Cecilia Van der Walt                            | PT                       | Cleansing, Parks & Cemeteries                                         | 17                                    |                                                      |                                                       |
| Mr David Mac Millan Oswald                               | PT                       | Finance and Audit<br>Technical Services                               | 18                                    | 70                                                   | 100                                                   |
| Mr Alexis Khomolileng Mare                               | PT                       | Public Safety<br>Cleansing, Parks & Cemeteries                        | 19                                    | 90                                                   | 100                                                   |
| Ms Nombulawa Lucy Mdola                                  | PT                       | Urban Planning and Human<br>Settlements<br>LED, Tourism & Agriculture | 20                                    | 80                                                   | 100                                                   |
| Mr Lefu Richard Chebase                                  | PT                       | Cleansing, Parks & Cemeteries<br>Sports, Arts & Culture               | 21                                    | 90                                                   | 95                                                    |
| Mr Brutus Tshepo Mahlaku<br>(Executive Mayor)            | FT                       | Mayoral Committee                                                     | ANC                                   | 95                                                   | 100                                                   |
| Ms Thandiwe Linah Soetsang (Chief<br>Whip)               | FT                       | -                                                                     | ANC                                   | 10                                                   | 100                                                   |
| Mr Sello Zacharia Matena<br>(Speaker)                    | FT                       | -                                                                     | ANC                                   | 90                                                   | 100                                                   |
| Ms Nomsa Josephina Kubheka                               | FT                       | Technical Services                                                    | ANC                                   | 80                                                   | 100                                                   |
| Mr Malefane Johannes Msimanga                            | PT                       | Cleansing, Parks & Cemeteries<br>LED, Tourism & Agriculture           | ANC                                   | 100                                                  |                                                       |
| Ms Anna Ndutula Radebe                                   | FT                       | Sports, Arts & Culture                                                | ANC                                   | 90                                                   | 100                                                   |
| Ms Dikeledi Ellen Mokoena                                | PT                       | Public Safety<br>Sports, Arts & Culture                               | ANC                                   | 100                                                  |                                                       |
| Mr Serame Isaac Ramathesele                              | PT                       | Corporate Services<br>LED, Tourism & Agriculture                      | ANC                                   | 95                                                   | 100                                                   |
| Mr Mnyamezeli Welcome Khonto                             | FT                       | Public Safety                                                         | ANC                                   | 100                                                  | 100                                                   |
| Ms Sylvia Lindiwe Tshongwe                               | FT                       | Corporate Services                                                    | ANC                                   | 70                                                   | 100                                                   |
| Mr Frans Christiaan Coetzer                              | PT                       | LED, Tourism & Agriculture                                            | DA                                    | 95                                                   | 100                                                   |
| Mr Jacobus Johannes Geyser                               | PT                       | Technical Services                                                    | DA                                    | 95                                                   | 100                                                   |
| Mr Tsietsi Johannes Mofokeng                             | PT                       | Urban Planning and Human Settlements                                  | DA                                    | 90                                                   | 100                                                   |
| Ms Suraya Holt                                           | PT                       | Finance and Audit                                                     | DA                                    | 100                                                  |                                                       |
| Mr Makone Fithalls Machaea                               | PT                       | LED, Tourism & Agriculture                                            | DA                                    | 95                                                   | 100                                                   |
| Mr Velly Johannes Maseko                                 | PT                       | Sports, Arts & Culture                                                | DA                                    | 70                                                   | 95                                                    |
| Mr Mabaka George Ntoane                                  | PT                       | Corporate Services                                                    | DA                                    | 95                                                   | 100                                                   |
| Mr Pretty Jacob Mahlangu                                 | PT                       | Cleansing, Parks & Cemeteries                                         | DA                                    | 90                                                   | 100                                                   |
| Mr Johannes du Plessis                                   | PT                       | Corporate Services                                                    | DA                                    | 80                                                   | 95                                                    |

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| Councillors, Committees Allocated and Council Attendance                                  |                          |                                                       |                                       |                                                      |                                                       |
|-------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------|---------------------------------------|------------------------------------------------------|-------------------------------------------------------|
| Council Members                                                                           | Full Time /<br>Part Time | Committees Allocated                                  | *Ward and/<br>or Party<br>Represented | Percentag<br>e Council<br>Meetings<br>Attendanc<br>e | Percentag<br>e<br>Apologies<br>for non-<br>attendance |
|                                                                                           | FT/PT                    |                                                       |                                       | %                                                    | %                                                     |
| Ms Mmabatho Martie Mosia                                                                  | PT                       | Urban Planning and Human Settlements<br>Public Safety | DA                                    | 70                                                   | 90                                                    |
| Note: * Councillors appointed on a proportional basis do not have wards allocated to them |                          |                                                       |                                       |                                                      | TA                                                    |
|                                                                                           |                          |                                                       |                                       |                                                      |                                                       |
|                                                                                           |                          |                                                       |                                       |                                                      |                                                       |

Councillors serving on Section 80 Committees are from political parties represented in the Council. Each Section 80 Committee is chaired by a Member of the Mayoral Committee (MMC) and is responsible for ensuring effective political oversight of departmental activities through the consideration of reports from the Municipal Manager and Directors. Based on the said reports these committees make recommendations for consideration by the Mayoral Committee.

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# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Table 164: Committees

| Committees (other than Mayoral / Executive Committee) and Purposes of Committees |                                                                                                                                                                                    |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Municipal Committees                                                             | Purpose of Committee                                                                                                                                                               |
| Portfolio Committee: Corporate Services (s80)                                    | Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee. |
| Portfolio Committee: Finance and Audit (s80)                                     | Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee. |
| Portfolio Committee: Technical Services (s80)                                    | Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee. |
| Portfolio Committee: Public Safety (s80)                                         | Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee. |
| Portfolio Committee: Cleansing, Parks and Cemeteries (s80)                       | Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee. |
| Portfolio Committee: Urban Planning and Human Settlements (s80)                  | Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee. |
| Portfolio Committee: LED, Tourism and Agriculture (s80)                          | Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee. |
| Portfolio Committee: Sports, Arts and Culture (s80)                              | Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee. |
| Audit and Performance Audit Committee (s79)                                      | Roles and responsibilities as outlined by section 166 of the MFMA and the approved charter                                                                                         |
| Oversight Committee (s79)                                                        | Roles and responsibilities as outlined by section 129 of the MFMA and the National Treasury guidelines issued in MFMA Circular 32 (18 March 2006)                                  |
|                                                                                  |                                                                                                                                                                                    |
|                                                                                  |                                                                                                                                                                                    |
|                                                                                  |                                                                                                                                                                                    |

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# APPENDICES

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

**Table 165: Third Tier Structure**

| Third Tier Structure                                                                      |                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directorate                                                                               | Director/Manager (State title and name)                                                                                                                         |
| Technical Services                                                                        | Director<br>R Thekiso<br>Manager: Electrical and Mechanical Services<br>H van Wyk<br>Manager: Civil Engineering Services<br>MC Botha<br>Manager: PMU<br>M Ndaba |
| Financial Services                                                                        | Chief Financial Officer<br>(Vacant )<br>Manager: Revenue<br>C Scheepers<br>Manager: Budget and Financial Planning<br>Ms A Vorster                               |
| LED and Planning                                                                          | Director:<br>S Monyaki<br>Manager: Urban Planning<br>(Vacant)<br>Manager: Housing and Property Management Services<br>G Steenkamp<br>Manager: LED<br>(Vacant)   |
| Corporate Services                                                                        | Director: M Maseola<br>Manager: Legal and Administration<br>T Mosuoane<br>Manager: Human Resources<br>(Vacant)<br>Manager: ICT<br>G Nhlapo                      |
| Social Services                                                                           | Director: S.L Lempe<br>Manager: Parks and Cleansing<br>L P Thile<br>Manager: Public Safety<br>M Penkin<br>Manager: Sports, Arts and Recreation<br>M Mosholi     |
|                                                                                           |                                                                                                                                                                 |
|                                                                                           |                                                                                                                                                                 |
| Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2). |                                                                                                                                                                 |
| T C                                                                                       |                                                                                                                                                                 |

# APPENDICES

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

**Table 166: Municipal Functions**

| MUNICIPAL FUNCTIONS                                                                                                                                                                                             | Function Applicable to Municipality (Yes / No)* |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>Constitution Schedule 4, Part B functions:</b>                                                                                                                                                               |                                                 |
| Air pollution                                                                                                                                                                                                   | No                                              |
| Building regulations                                                                                                                                                                                            | Yes                                             |
| Child care facilities                                                                                                                                                                                           | No                                              |
| Electricity and gas reticulation                                                                                                                                                                                | Yes                                             |
| Fire-fighting services                                                                                                                                                                                          | Yes                                             |
| Local tourism                                                                                                                                                                                                   | Yes                                             |
| Municipal airports                                                                                                                                                                                              | No                                              |
| Municipal planning                                                                                                                                                                                              | Yes                                             |
| Municipal health services                                                                                                                                                                                       | No                                              |
| Municipal public transport                                                                                                                                                                                      | No                                              |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | Yes                                             |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto                                                                     | No                                              |
| Stormwater management systems in built-up areas                                                                                                                                                                 | Yes                                             |
| Trading regulations                                                                                                                                                                                             | Yes                                             |
| Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems                                                                                      | Yes                                             |
| Beaches and amusement facilities                                                                                                                                                                                | No                                              |
| Billboards and the display of advertisements in public places                                                                                                                                                   | Yes                                             |
| Cemeteries, funeral parlours and crematoria                                                                                                                                                                     | Yes                                             |
| Cleansing                                                                                                                                                                                                       | Yes                                             |
| Control of public nuisances                                                                                                                                                                                     | Yes                                             |
| Control of undertakings that sell liquor to the public                                                                                                                                                          | Yes                                             |
| Facilities for the accommodation, care and burial of animals                                                                                                                                                    | Yes                                             |
| Fencing and fences                                                                                                                                                                                              | Yes                                             |
| Licensing of dogs                                                                                                                                                                                               | No                                              |
| Licensing and control of undertakings that sell food to the public                                                                                                                                              | Yes                                             |
| Local amenities                                                                                                                                                                                                 | Yes                                             |
| Local sport facilities                                                                                                                                                                                          | Yes                                             |
| Markets                                                                                                                                                                                                         | No                                              |
| Municipal abattoirs                                                                                                                                                                                             | No                                              |
| Municipal parks and recreation                                                                                                                                                                                  | Yes                                             |
| Municipal roads                                                                                                                                                                                                 | Yes                                             |
| Noise pollution                                                                                                                                                                                                 | Yes                                             |

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| MUNICIPAL FUNCTIONS                                                                 | Function Applicable to Municipality (Yes / No)* |
|-------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>Constitution Schedule 4, Part B functions:</b>                                   |                                                 |
| Pounds                                                                              | No                                              |
| Public places                                                                       | Yes                                             |
| Refuse removal, refuse dumps and solid waste disposal                               | Yes                                             |
| Street trading                                                                      | Yes                                             |
| Street lighting                                                                     | Yes                                             |
| Traffic and parking                                                                 | Yes                                             |
| <i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i> |                                                 |

# APPENDICES

Table: 167: Functionality of Ward Committees

## APPENDIX E –WARD REPORTINGTABLE 57: FUNCTIONALITY OF WARD COMMITTEES

| Functionality of Ward Committees |                                                            |                                  |                                                           |                                                                |                                                           |
|----------------------------------|------------------------------------------------------------|----------------------------------|-----------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------|
| Ward Name (Number)               | Name of Ward Councillor and elected Ward committee members | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speakers Office on time | Number of quarterly public ward meetings held during year |
| Ward 1                           | Cllr M.A Tamane and 10 WC members                          | Yes                              | 6                                                         | 0                                                              | 6                                                         |
| Ward 2                           | Cllr M.D Nthebe and 9 WC members                           | Yes                              | 2                                                         | 1                                                              | 2                                                         |
| Ward 3                           | Cllr Ms.Poho and 10 WC members                             | Yes                              | 0                                                         | 2                                                              | 2                                                         |
| Ward 4                           | Cllr D. Motlouni 10 WC members                             | Yes                              | 0                                                         | 1                                                              | 2                                                         |
| Ward 5                           | Cllr S. Moreki and 10 WC members                           | Yes                              | 0                                                         | 0                                                              | 3                                                         |
| Ward 6                           | Cllr N. Sejake and 10 WC members                           | Yes                              | 0                                                         | 1                                                              | 2                                                         |
| Ward 7                           | Cllr T. Mosia and 8 WC members                             | Yes                              | 7                                                         | 0                                                              | 4                                                         |
| Ward 8                           | Cllr L.S Semonyo and 9 WC members                          | Yes                              | 7                                                         | 1                                                              | 0                                                         |
| Ward 9                           | Cllr S.S Mofokeng and 10 WC members                        | Yes                              | 7                                                         | 1                                                              | 2                                                         |
| Ward 10                          | Cllr M N Mtshali and 10 WC members                         | Yes                              | 2                                                         | 3                                                              | 1                                                         |
| Ward 11                          | Cllr T.Mabasa and 10 WC members                            | Yes                              | 1                                                         | 1                                                              | 5                                                         |
| Ward 12                          | Cllr B.S Khunou and 7 WC members                           | Yes                              | 5                                                         | 2                                                              | 2                                                         |
| Ward 13                          | Cllr JM. Lelahla-Phepheng and 10 WC members                | Yes                              | 1                                                         | 1                                                              | 1                                                         |
| Ward 14                          | Cllr J.D Viljoen and 10 WC members                         | Yes                              | 4                                                         | 3                                                              | 3                                                         |
| Ward 15                          | Cllr J.J. Grobbelaar and 10 WC members                     | Yes                              | 5                                                         | 4                                                              | 2                                                         |
| Ward 16                          | Cllr J Moolman and 10 WC members                           | Yes                              | 3                                                         | 2                                                              | 2                                                         |
| Ward 17                          | Cllr M.R Van der Walt and 9 WC members                     | Yes                              | 2                                                         | 2                                                              | 2                                                         |
| Ward 18                          | Cllr D.M Oswald and 10 WC members                          | Yes                              | 4                                                         | 6                                                              | 3                                                         |
| Ward 19                          | Cllr K.A Mare and 10 WC members                            | Yes                              | 4                                                         | 7                                                              | 2                                                         |
| Ward 20                          | Cllr N.M Mdola and 10 WC members                           | Yes                              | 1                                                         | 3                                                              | 4                                                         |
| Ward 21                          | Cllr R.L. Chebase and 10 WC                                | Yes                              | 0                                                         | 0                                                              | 0                                                         |



# APPENDICES

members

## APPENDIX F – WARD INFORMATION

Information on seven largest capital projects, basic service provision and top four ward service delivery

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## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/13

Table 58: Municipal Audit Committee Recommendations

Name of members

Mr. Seth M Radebe (Chairperson)

Mr. Zola Fihlani

Ms Dikomo Selina L

Table: 171: Municipal Audit Committee Recommendations

| Municipal Audit Committee Recommendations |                                                                                                                                                                                                                                                                     |                                                                          |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Date of Committee                         | Committee recommendations during 2012/13                                                                                                                                                                                                                            | Recommendations adopted (enter Yes) If not adopted (provide explanation) |
| 29 August 2012                            | That the records management department need urgent management attention as this unit play a key role in the administration of the municipality                                                                                                                      | Partially addressed.                                                     |
| 29 August 2012                            | Disaster Recovery Plan be developed and implemented as a matter of urgency                                                                                                                                                                                          | Outstanding. Still in progress                                           |
| 29 August 2012                            | All outstanding policies and strategies must be approved by the council for the for better administration and to achieve 2014 clean audit target                                                                                                                    | Partially addressed.                                                     |
| 17 August 2012                            | The municipality is functioning without having an approved PMS policy, and a performance management policy to be developed and implemented with immediate effect as this matter was previously reported.                                                            | In progress                                                              |
| 17 August 2012                            | The committee further recommends that the quarterly reports regarding the implementation of SDBIP against the budget be submitted to council on a quarterly basis by the concerned department for effective monitoring of the service delivery issues and           | Partially addressed.                                                     |
| 29 August 2012                            | that the performance assessment should be done at least 10 days after the end of each quarter and submit assessment report to internal auditors for audit and verification purpose                                                                                  | Partially addressed.                                                     |
| 17 August 2012                            | that the council must appoint an independent, competent Risk Committee chairperson as part of the good governance system to comply with Public Sector Risk Management Framework                                                                                     | Yes                                                                      |
| 29 August 2012                            | council must ensure that the fleet management unit is fully functional and usage of all vehicles belongs to the municipality and government garage are monitored to prevent private usage                                                                           | Outstanding. Still in progress                                           |
| 29 August 2012                            | Servicing of vehicle must be done regularly as required in order to avoid loss of service warranty.                                                                                                                                                                 | Outstanding. Still in progress                                           |
| 14 March 2013                             | LED department needs to draw up an action plan to resolve all the audit queries raised, and for the efficient functioning of the unit, outstanding policies to be developed and implemented especially the allocation policy, LED strategy and housing sector plan. | Partially addressed.                                                     |

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|               |                                                                                                                                                                                                                                                                            |                      |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 14 March 2013 | Performance management system must be improved by regular and timely performance assessment, quarterly submission of report to council and policy be approved and implemented                                                                                              | Partially addressed. |
| 14 March 2013 | All outstanding policies and strategies must be approved by the council for the for better administration and to achieve 2014 clean audit target                                                                                                                           | Partially addressed. |
| 14 March 2013 | The municipality is functioning without having an approved PMS policy, and a performance management policy to be developed and implemented with immediate effect as this matter was previously reported. (It was reported previously)                                      | Partially addressed. |
| 14 March 2013 | The committee recommends that the quarterly reports regarding the implementation of SDBIP against the budget be submitted to council on a quarterly basis by the concerned department for effective monitoring of the service delivery issues (It was reported previously) | Partially addressed. |
| 14 March 2013 | The performance assessment should be done at least 10 days after the end of each quarter and submit assessment report to internal auditors for audit and verification purpose. (It was reported previously)                                                                | Partially addressed. |
| 28 May 2013   | As a matter of urgency, Compliance officer to be appointed. In order to achieve better audit opinion, municipality must comply with rules and regulations as this affect the audit opinion.                                                                                | Partially addressed. |
| 14 March 2013 | Security management is a great concern as there is no service level agreement with the service provider. SLA's to be executed and performance should be monitored as required by MFMA.                                                                                     | Outstanding          |
| 14 March 2013 | Security management policy, plan and strategy be developed, approved and implemented for better management of the security system.                                                                                                                                         | Outstanding          |
| 28 May 2013   | Urgent management intervention is needed to improve the Dashboard of Key controls as there are still outstanding issues that need to be addressed.                                                                                                                         | Partially addressed. |



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Table 173: PPPs entered into

| Public Private Partnerships Entered into during 2012/13     |                    |                 |             |                 | R' 000        |
|-------------------------------------------------------------|--------------------|-----------------|-------------|-----------------|---------------|
| Name and Description of Project                             | Name of Partner(s) | Initiation Date | Expiry date | Project manager | Value 2008/09 |
| The municipality did not enter into any PPPs during 2012/13 |                    |                 |             |                 |               |
|                                                             |                    |                 |             |                 |               |
|                                                             |                    |                 |             |                 |               |
|                                                             |                    |                 |             |                 | T H.2         |

# APPENDICES

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The Municipality does not have any operational entities except for the dormant Mayoral Trust which is currently in the 2012/13 financial year being dissolved.

# APPENDICES

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Note: The information was not available for the 2012/13 financial year

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Table 17559: Revenue Collection by Vote

| Revenue Collection Performance by Vote                                                                                                                                    |                |                 |                 |                |                   |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|-----------------|----------------|-------------------|----------------------|
| R' 000                                                                                                                                                                    |                |                 |                 |                |                   |                      |
| Vote Description                                                                                                                                                          | 2011/12        | 2012/13         |                 |                | 2012/13 Variance  |                      |
|                                                                                                                                                                           | Actual         | Original Budget | Adjusted Budget | Actual         | Original Budget % | Adjustments Budget % |
| Council Speaker Council                                                                                                                                                   | 0              | 0               | 0               | 20             | 100               | 100                  |
| Municipal Manager                                                                                                                                                         | 1 607          | 2 361           | 2 364           | 1 560          | -34               | -34                  |
| Organisational development and Corporate Services                                                                                                                         | 302            | 513             | 544             | 545            | 6                 | 1                    |
| Social services                                                                                                                                                           | 43 626         | 68 428          | 70 184          | 52 217         | -24               | -25                  |
| Technical and Infrastructure Services                                                                                                                                     | 404 402        | 526 003         | 526 057         | 484 137        | -8                | -8                   |
| Financial Services                                                                                                                                                        | 133 707        | 143 542         | 142 646         | 140 276        | -2                | -2                   |
| Local development and Urban Planning                                                                                                                                      | 14 540         | 15 945          | 15 965          | 4 037          | -75               | -75                  |
| <b>Total Revenue by Vote</b>                                                                                                                                              | <b>597 521</b> | <b>756 792</b>  | <b>757 760</b>  | <b>682 802</b> | <b>-10</b>        | <b>-10</b>           |
| <i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i><br><i>This table is aligned to MBRR table A3</i> |                |                 |                 |                |                   |                      |
| T K.1                                                                                                                                                                     |                |                 |                 |                |                   |                      |



## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 176: Revenue Collection by Source

| Revenue Collection Performance by Source                                                                                                                     |                |                 |                    |                |                   |                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|--------------------|----------------|-------------------|----------------------|
| Description                                                                                                                                                  | 2011/12        | 2012/13         |                    |                | 2012/13 Variance  |                      |
|                                                                                                                                                              | Actual         | Original Budget | Adjustments Budget | Actual         | Original Budget % | Adjustments Budget % |
| Property rates                                                                                                                                               | 86 652         | 90 245          | 90 245             | 92 485         | 2                 | 2                    |
| Property rates - penalties & collection charges                                                                                                              |                |                 |                    |                |                   |                      |
| Service Charges - electricity revenue                                                                                                                        | 139 120        | 205 117         | 205 117            | 164 079        | -20               | -20                  |
| Service Charges - water revenue                                                                                                                              | 141 717        | 151 716         | 151 716            | 159 701        | 5                 | 5                    |
| Service Charges - sanitation revenue                                                                                                                         | 18 996         | 32 518          | 32 518             | 19 990         | 39                | 39                   |
| Service Charges - refuse revenue                                                                                                                             | 25 259         | 37 112          | 37 112             | 27 526         | 26                | 26                   |
| Service Charges - other                                                                                                                                      | 7 512          | 8 440           | 10 376             | 8 709          | 3                 | 16                   |
| Rentals of facilities and equipment                                                                                                                          | 4 257          | 4 503           | 4 603              | 4 515          | -1                | 2                    |
| Interest earned - external investments                                                                                                                       | 2 735          | 2 300           | 1 300              | 1 543          | -33               | 18                   |
| Interest earned - outstanding debtors                                                                                                                        | 17 799         | 16 002          | 16 052             | 13 900         | -13               | -13                  |
| Dividends received                                                                                                                                           | 59             | 0               |                    |                |                   |                      |
| Fines                                                                                                                                                        | 6 308          | 12 007          | 12 009             | 4 194          | -65               | -65                  |
| Licences and permits                                                                                                                                         | 66             | 163             | 163                | 120            | -26               | -26                  |
| Agency services                                                                                                                                              |                |                 |                    |                |                   |                      |
| Transfers recognised - operational                                                                                                                           | 93 616         | 107 206         | 104 489            | 97 822         | -9                | -6                   |
| Other revenue                                                                                                                                                | 2 367          | 20 580          | 14 322             | 6 667          | -68               | -53                  |
| Gains on disposal of PPE                                                                                                                                     | 516            | 9 000           | 9 000              | 276            | -97               | -97                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b>                                                                                         | <b>549 979</b> | <b>616 553</b>  | <b>695 280</b>     | <b>601 527</b> | <b>-2</b>         | <b>-13</b>           |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the Budget.<br>This table is aligned to MBRR table A4. |                |                 |                    |                |                   |                      |

T K.2

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Table 177: Conditional Grants: excluding MIG

| Conditional Grants: excluding MIG                                                                                                                                                                                                                                                                                                                                                                                                |               |                       |               |             |                            | R' 000                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------|---------------|-------------|----------------------------|--------------------------------------------------------------------------|
| Details                                                                                                                                                                                                                                                                                                                                                                                                                          | Budget        | Adjustments<br>Budget | Actual        | Variance    |                            | Major conditions<br>applied by donor<br>(continue below if<br>necessary) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |                       |               | Budget<br>% | Adjustments<br>Budget<br>% |                                                                          |
| Neighbourhood<br>Development Partnership<br>Grant                                                                                                                                                                                                                                                                                                                                                                                |               |                       |               |             |                            |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |                       |               |             |                            |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |                       |               |             |                            |                                                                          |
| Public Transport<br>Infrastructure and Systems<br>Grant                                                                                                                                                                                                                                                                                                                                                                          |               |                       |               |             |                            |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |                       |               |             |                            |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |                       |               |             |                            |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |                       |               |             |                            |                                                                          |
| <b>Other Specify:</b>                                                                                                                                                                                                                                                                                                                                                                                                            |               |                       |               |             |                            |                                                                          |
| Department of Energy                                                                                                                                                                                                                                                                                                                                                                                                             | 10 000        | 10 000                | 10 000        |             |                            |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |                       |               |             |                            |                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                  |               |                       |               |             |                            |                                                                          |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>10 000</b> | <b>10 000</b>         | <b>10 000</b> |             |                            |                                                                          |
| <i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i> |               |                       |               |             |                            | TL                                                                       |

### COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The only conditional grant, other than MIG, was received and spent as planned for

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## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Table 178: Capital expenditure – New Assets

| Capital Expenditure - New Assets Programme*   |               |                 |                   |                    |                             |               |               |
|-----------------------------------------------|---------------|-----------------|-------------------|--------------------|-----------------------------|---------------|---------------|
| R '000                                        |               |                 |                   |                    |                             |               |               |
| Description                                   | 2011/12       | 2012/13         |                   | Actual Expenditure | Planned Capital expenditure |               |               |
|                                               | Actual        | Original Budget | Adjustment Budget |                    | 2013/14                     | 2014/15       | 2015/16       |
| <b>Capital expenditure by Asset Class</b>     |               |                 |                   |                    |                             |               |               |
| <b>Infrastructure - Total</b>                 | <b>380 69</b> | <b>112 532</b>  | <b>59 838</b>     |                    | <b>105 242</b>              | <b>67 474</b> | <b>66 700</b> |
| <b>Infrastructure: Road transport - Total</b> | 9 827         | 13 820          | 8 445             |                    | 8 500                       | 2 407         | 18 950        |
| Roads, Pavements & Bridges                    | 9 827         | 13 820          | 7 445             |                    | 8 500                       | 2 407         | 18 950        |
| Storm water                                   |               | 0               | 1 000             |                    |                             |               |               |
| <b>Infrastructure: Electricity - Total</b>    | 10 632        | 18 200          | 10 297            |                    | 40 500                      | 40 650        | 40 750        |
| Generation                                    |               |                 |                   |                    |                             |               |               |
| Transmission & Reticulation                   | 10 632        | 18 200          | 10 000            |                    | 40 500                      | 40 650        | 38 750        |
| Street Lighting                               |               | 0               | 297               |                    |                             |               | 2 000         |
| <b>Infrastructure: Water - Total</b>          | 10 539        | 27 495          | 18 126            |                    | 13 323                      | 1 613         |               |
| Dams & Reservoirs                             |               |                 |                   |                    |                             |               |               |
| Water purification                            |               |                 | 2 712             |                    |                             |               |               |
| Reticulation                                  | 10 539        | 27 495          | 15 414            |                    | 13 323                      | 1 613         |               |
| <b>Infrastructure: Sanitation - Total</b>     | 7 070         | 38 942          | 21 695            |                    | 42 419                      | 16 055        | 5 000         |
| Reticulation                                  | 7 070         | 38 942          | 21 695            |                    | 42 419                      | 16 055        | 5 000         |
| Sewerage purification                         |               |                 |                   |                    |                             |               |               |
| <b>Infrastructure: Other - Total</b>          | 0             | 14 075          | 1 275             |                    | 500                         | 6 750         | 2 000         |
| Waste Management                              |               | 1 775           | 1 275             |                    | 500                         | 6 750         | 2 000         |
| Transportation                                |               | 800             |                   |                    |                             |               |               |
| Other                                         | 0             | 11 500          |                   |                    |                             |               |               |
|                                               | <b>35 302</b> | <b>818</b>      | <b>6 622</b>      |                    | <b>11 406</b>               | <b>23 983</b> | <b>16 905</b> |
| <b>Community - Total</b>                      |               |                 |                   |                    | 350                         | 700           |               |
| Parks & gardens                               |               |                 | 6 422             |                    | 7 456                       | 15 000        | 12 500        |
| Sportsfields & stadia                         |               |                 |                   |                    | 100                         |               |               |
| Swimming pools                                |               |                 |                   |                    |                             |               |               |
| Community halls                               |               |                 |                   |                    |                             |               |               |
| Libraries                                     |               |                 |                   |                    | 1 650                       | 600           |               |
| Recreational facilities                       |               |                 |                   |                    |                             |               |               |
| Fire, safety & emergency                      | 2             | 818             |                   |                    | 1 000                       |               |               |
| Security and policing                         |               |                 | 200               |                    | 850                         | 7 683         | 4 405         |
| Cemeteries                                    | 35 300        |                 |                   |                    |                             |               |               |
| Social rental housing                         | <b>380 69</b> | <b>112 532</b>  | <b>59 838</b>     |                    | <b>105 242</b>              | <b>67 474</b> | <b>66 700</b> |
| Other                                         |               |                 |                   |                    |                             |               |               |

Table continued next page

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Table 60: Capital expenditure – New Assets (cont.)

| Capital Expenditure - New Assets Programme* |         |                 |                   |                    |                             |         |         |
|---------------------------------------------|---------|-----------------|-------------------|--------------------|-----------------------------|---------|---------|
| R '000                                      |         |                 |                   |                    |                             |         |         |
| Description                                 | 2011/12 | 2012/13         |                   |                    | Planned Capital expenditure |         |         |
|                                             | Actual  | Original Budget | Adjustment Budget | Actual Expenditure | 2013/14                     | 2014/15 | 2015/16 |
| <b>Capital expenditure by Asset Class</b>   |         |                 |                   |                    |                             |         |         |
| <b>Heritage assets - Total</b>              | –       | –               |                   | –                  | –                           | –       | –       |
| Buildings                                   |         |                 |                   |                    |                             |         |         |
| Other                                       |         |                 |                   |                    |                             |         |         |
| <b>Investment properties - Total</b>        | 0       | –               |                   |                    | –                           | –       | –       |
| Housing development                         |         |                 |                   |                    |                             |         |         |
| Other                                       | 0       |                 |                   |                    |                             |         |         |
| <b>Other assets</b>                         | 740     | 22 829          | 400               |                    | 1 500                       | 28 300  | 1 000   |
| General vehicles                            | 0       | 750             |                   |                    |                             |         |         |
| Specialised vehicles                        |         | 0               |                   |                    |                             |         |         |
| Plant & equipment                           | 418     | 8 054           |                   |                    |                             |         |         |
| Computers - hardware/equipment              | 0       |                 |                   |                    |                             |         |         |
| Furniture and other office equipment        | 322     | 11 925          |                   |                    |                             |         |         |
| Abattoirs                                   |         |                 |                   |                    |                             |         |         |
| Markets                                     |         |                 |                   |                    |                             |         |         |
| Civic Land and Buildings                    |         | 2 100           |                   |                    |                             |         |         |
| Other Buildings                             |         | 0               | 400               |                    |                             |         |         |
| Other Land                                  |         |                 |                   |                    |                             | 10 000  | 1 000   |
| Surplus Assets - (Investment or Inventory)  |         |                 |                   |                    |                             |         |         |
| Other                                       |         | 0               |                   |                    | 1 500                       | 18 300  |         |
| <b>Agricultural assets</b>                  | –       | –               |                   |                    | –                           | –       | –       |
| List sub-class                              |         |                 |                   |                    |                             |         |         |
| <b>Biological assets</b>                    | –       | –               |                   |                    | –                           | –       | –       |
| List sub-class                              |         |                 |                   |                    |                             |         |         |

|                                                |               |                |               |  |                |                |               |
|------------------------------------------------|---------------|----------------|---------------|--|----------------|----------------|---------------|
| <b>Intangibles</b>                             | -             | -              |               |  | -              | -              | -             |
| Computers - software & programming             |               |                |               |  |                |                |               |
| Other ( <i>list sub-class</i> )                |               |                |               |  |                |                |               |
| <b>Total Capital Expenditure on new assets</b> | <b>74 111</b> | <b>136 179</b> | <b>66 861</b> |  | <b>118 147</b> | <b>119 757</b> | <b>84 605</b> |

|                             |   |  |  |   |   |   |   |
|-----------------------------|---|--|--|---|---|---|---|
| <b>Specialised vehicles</b> | - |  |  | - | - | - | - |
| Refuse                      |   |  |  |   |   |   |   |
| Fire                        |   |  |  |   |   |   |   |
| Conservancy                 |   |  |  |   |   |   |   |
| Ambulances                  |   |  |  |   |   |   |   |

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

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## APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Table 61: Capital expenditure – Upgrade/Renewal

| Capital Expenditure - Upgrade/Renewal Programme* |               |                 |                   |                             |               |               | R '000        |
|--------------------------------------------------|---------------|-----------------|-------------------|-----------------------------|---------------|---------------|---------------|
| Description                                      | 2011/12       | 2012/13         |                   | Planned Capital expenditure |               |               |               |
|                                                  | Actual        | Original Budget | Adjustment Budget | Actual Expenditure          | 2013/14       | 2014/15       | 2015/16       |
| <b>Capital expenditure by Asset Class</b>        |               |                 |                   |                             |               |               |               |
| <b>Infrastructure - Total</b>                    | <b>11 000</b> |                 | <b>10 006</b>     |                             | <b>17 892</b> | <b>27 274</b> | <b>16 150</b> |
| <b>Infrastructure: Road transport -Total</b>     | 11 000        |                 | 5 000             |                             | 12 500        | 5 000         |               |
| Roads, Pavements & Bridges                       | 11 000        |                 | 5 000             |                             | 12 500        | 5 000         |               |
| Storm water                                      |               |                 |                   |                             |               |               |               |
| <b>Infrastructure: Electricity - Total</b>       | –             |                 | 3 500             |                             | 2 050         | 15 600        | 15 350        |
| Generation                                       |               |                 | 1 500             |                             | 1 650         | 15 250        | 15 000        |
| Transmission & Reticulation                      |               |                 | 2 000             |                             | 400           | 350           | 350           |
| Street Lighting                                  |               |                 |                   |                             |               |               |               |
| <b>Infrastructure: Water - Total</b>             | –             |                 | 594               |                             | 1 065         | 3 924         | 400           |
| Dams & Reservoirs                                |               |                 |                   |                             |               |               |               |
| Water purification                               |               |                 | 594               |                             | 1 065         | 3 924         | 400           |
| Reticulation                                     |               |                 |                   |                             |               |               |               |
| <b>Infrastructure: Sanitation - Total</b>        | –             |                 | 913               |                             | 477           | 1 000         |               |
| Reticulation                                     |               |                 |                   |                             |               |               |               |
| Sewerage purification                            |               |                 | 913               |                             | 477           | 1 000         |               |
| <b>Infrastructure: Other - Total</b>             | –             |                 |                   |                             | 1 800         | 1 750         | 400           |
| Waste Management                                 |               |                 |                   |                             | 1 800         | 1 750         | 400           |
| Transportation                                   |               |                 |                   |                             |               |               |               |
| Gas                                              |               |                 |                   |                             |               |               |               |
| Other                                            |               |                 |                   |                             |               |               |               |
| <b>Community</b>                                 | –             |                 |                   | <b>400</b>                  |               |               |               |
| Parks & gardens                                  |               |                 |                   |                             |               |               |               |
| Sportsfields& stadia                             |               |                 |                   |                             |               |               |               |
| Swimming pools                                   |               |                 |                   |                             |               |               |               |
| Community halls                                  |               |                 |                   |                             |               |               |               |
| Libraries                                        |               |                 |                   |                             |               |               |               |
| Recreational facilities                          |               |                 |                   |                             |               |               |               |
| Fire, safety & emergency                         |               |                 |                   |                             |               |               |               |

|                         |   |   |  |     |   |   |   |
|-------------------------|---|---|--|-----|---|---|---|
| Security and policing   |   |   |  | 400 |   |   |   |
| Buses                   |   |   |  |     |   |   |   |
| Clinics                 |   |   |  |     |   |   |   |
| Museums & Art Galleries |   |   |  |     |   |   |   |
| Cemeteries              |   |   |  |     |   |   |   |
| Social rental housing   |   |   |  |     |   |   |   |
| Other                   |   |   |  |     |   |   |   |
| <b>Heritage assets</b>  | - | - |  | -   | - | - | - |
| Buildings               |   |   |  |     |   |   |   |
| Other                   |   |   |  |     |   |   |   |

*Table continued next page*



Table 62: Capital expenditure – Upgrade/Renewal (cont.)

| Table continued from previous page               |         |                 |                   |                    |                             |         |         |
|--------------------------------------------------|---------|-----------------|-------------------|--------------------|-----------------------------|---------|---------|
| Capital Expenditure - Upgrade/Renewal Programme* |         |                 |                   |                    |                             |         | R '000  |
| Description                                      | 2011/12 | 2012/13         |                   |                    | Planned Capital expenditure |         |         |
|                                                  | Actual  | Original Budget | Adjustment Budget | Actual Expenditure | 2013/14                     | 2014/15 | 2015/16 |
| <b>Capital expenditure by Asset Class</b>        |         |                 |                   |                    |                             |         |         |
| <b>Investment properties</b>                     | –       | –               |                   | –                  | –                           | –       | –       |
| Housing development                              |         |                 |                   |                    |                             |         |         |
| Other                                            |         |                 |                   |                    |                             |         |         |
| <b>Other assets</b>                              | 1 316   | 1 323           | 18 770            |                    | 27 548                      | 15 487  | 14 567  |
| General vehicles                                 |         |                 | 9 200             |                    | 1 000                       | 1 000   | 1 000   |
| Specialised vehicles                             |         |                 |                   |                    |                             |         |         |
| Plant & equipment                                |         | 1 323           | 6 920             |                    | 24 184                      | 11 860  | 6 625   |
| Computers - hardware/equipment                   |         |                 | 650               |                    | 1 364                       | 1 427   | 6 142   |
| Furniture and other office equipment             |         |                 | 1 000             |                    | 1 000                       | 1 200   | 800     |
| Abattoirs                                        |         |                 |                   |                    |                             |         |         |
| Markets                                          |         |                 |                   |                    |                             |         |         |
| Civic Land and Buildings                         |         |                 |                   |                    |                             |         |         |
| Other Buildings                                  | 1 316   |                 |                   |                    |                             |         |         |
| Other Land                                       |         |                 |                   |                    |                             |         |         |
| Surplus Assets - (Investment or Inventory)       |         |                 | 1 000             |                    |                             |         |         |
| Other                                            |         |                 |                   |                    |                             |         |         |
| <b>Agricultural assets</b>                       | –       |                 |                   |                    |                             |         | –       |
| List sub-class                                   |         |                 |                   |                    |                             |         |         |
| <b>Biological assets</b>                         | –       |                 |                   |                    |                             |         | –       |
| List sub-class                                   |         |                 |                   |                    |                             |         |         |
| <b>Intangibles</b>                               | –       |                 |                   |                    |                             |         | –       |
| Computers - software & programming               |         |                 |                   |                    |                             |         |         |
| Other (list sub-class)                           |         |                 |                   |                    |                             |         |         |

|                                                                                        |               |              |               |  |               |               |               |
|----------------------------------------------------------------------------------------|---------------|--------------|---------------|--|---------------|---------------|---------------|
| <b>Total Capital Expenditure on renewal of existing assets</b>                         | <b>12 316</b> | <b>1 723</b> | <b>28 776</b> |  | <b>45 440</b> | <b>42 761</b> | <b>30 717</b> |
|                                                                                        |               |              |               |  |               |               |               |
| <b>Specialised vehicles</b>                                                            | <b>–</b>      |              |               |  |               |               | <b>–</b>      |
| Refuse                                                                                 |               |              |               |  |               |               |               |
| Fire                                                                                   |               |              |               |  |               |               |               |
| Conservancy                                                                            | <b>1 316</b>  | <b>1 323</b> | <b>18 770</b> |  | <b>27 548</b> | <b>15 487</b> | <b>14 567</b> |
| Ambulances                                                                             |               |              |               |  |               |               |               |
| <i>* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)</i> |               |              |               |  |               |               | <i>T M.2</i>  |

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2012/13

Tabl179: Capital Programme by Project

| Capital Programme by Project: 2012/13 |                 |                   |        |                           |                          |
|---------------------------------------|-----------------|-------------------|--------|---------------------------|--------------------------|
| Capital Project                       | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj)<br>% | R' 000                   |
|                                       |                 |                   |        |                           | Variance (Act - OB)<br>% |
|                                       |                 |                   |        |                           |                          |
| <b>Water</b>                          |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| "Project C"                           |                 |                   |        |                           |                          |
| <b>Sanitation/Sewerage</b>            |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| <b>Electricity</b>                    |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| <b>Housing</b>                        |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| <b>Refuse removal</b>                 |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| <b>Stormwater</b>                     |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| <b>Economic development</b>           |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| <b>Sports, Arts &amp; Culture</b>     |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| <b>Environment</b>                    |                 |                   |        |                           |                          |
| "Project A"                           |                 |                   |        |                           |                          |
| "Project B"                           |                 |                   |        |                           |                          |
| <b>Health</b>                         |                 |                   |        |                           |                          |

|                            |  |  |  |  |     |
|----------------------------|--|--|--|--|-----|
| "Project A"                |  |  |  |  |     |
| "Project B"                |  |  |  |  |     |
| <b>Safety and Security</b> |  |  |  |  |     |
| "Project A"                |  |  |  |  |     |
| "Project B"                |  |  |  |  |     |
| <b>ICT and Other</b>       |  |  |  |  |     |
| "Project A"                |  |  |  |  |     |
| "Project B"                |  |  |  |  |     |
|                            |  |  |  |  | T N |

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## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD2012/13

**Table180: Capital Programme by Project by Ward**

| Programme                               | Project name                                          | Funding source | Wards | 2012/13           |
|-----------------------------------------|-------------------------------------------------------|----------------|-------|-------------------|
| <b>Local democratic governance</b>      | Speaker: Loud hailer & portable translation equipment | Internal       | ALL   | 106 000           |
| <b>Facilities management</b>            | Security services: Access control                     | Internal       | ALL   | 250 000           |
|                                         | Information technology                                | Lease          | ALL   | 12 300 000        |
|                                         |                                                       |                |       | <b>12 656 000</b> |
| Programme                               | Project name                                          | Funding source | Wards | 2012/13           |
| <b>Revenue and cash flow management</b> | Upgrading pay points                                  | Internal       | ALL   | 100 000           |
| Programme                               | Project name                                          | Funding source | Wards | 2012/13           |
| <b>Facilities management</b>            | Furniture &Equipment (various)                        | Internal       | ALL   | 1 509 500         |
|                                         | Parking shelter                                       | Internal       | ALL   | 400 000           |
| <b>Customer care</b>                    | Call centre                                           | Internal       | ALL   | 200 000           |
|                                         |                                                       |                |       | <b>2 109 500</b>  |

| Programme                                      | Project name                                                         | Funding source | Wards   | 2012/13          |
|------------------------------------------------|----------------------------------------------------------------------|----------------|---------|------------------|
| <b>Waste management/<br/>Clean communities</b> | Environmental Impact Assessments (EIAs)                              | Internal       | ALL     | 1 000 000        |
|                                                | Recycling plants                                                     | Internal       | ALL     | 0                |
|                                                | Rehabilitation of dumping site                                       | Internal       | 5       | 0                |
|                                                | Capital works-landfill sites                                         | Internal       | ALL     | 775 000          |
|                                                | Vehicles (water tanker, tipper truck)                                | Internal       | ALL     | 0                |
|                                                | Furniture & equipment                                                | Internal       | ALL     | 53 500           |
|                                                | Refuse bins and containers                                           | Internal       | ALL     | 75 000           |
|                                                |                                                                      |                |         | <b>1 903 500</b> |
|                                                |                                                                      |                |         |                  |
| <b>Safe communities</b>                        | Fire protection services (fire & rescue equipment and vehicles)      | Internal       | ALL     | 169 500          |
|                                                | Deneysville fire station (MIG)                                       | MIG            | 3-5, 20 | 0                |
|                                                | Disaster provision                                                   | Internal       | ALL     | 0                |
|                                                | Traffic (equipment, traffic calming measures, testing centre-paving) | Internal       | ALL     | 280 000          |
|                                                |                                                                      |                |         | <b>449 500</b>   |
|                                                |                                                                      |                |         |                  |

|                                          |                          |                       |              |                  |
|------------------------------------------|--------------------------|-----------------------|--------------|------------------|
| <b>Community facilities</b>              | Parks and playgrounds    | Internal              | ALL          | 1 994 000        |
|                                          | Abrahamsrust             | Internal              | ALL          | 1 338 000        |
|                                          | Day visitors areas       | Grants                | ALL          | Fezile Dabi      |
|                                          | Etienne Rousseau theatre | Internal              | ALL          | 452 600          |
|                                          | Community halls          | Internal              | ALL          | 0                |
|                                          | Stadiums                 | Internal              | ALL          | 3 000            |
|                                          | Multi-Purpose Centre     | Public donation       | ALL          | Anglo Coal       |
|                                          | Swimming pools           | Internal              | ALL          | 494 000          |
|                                          |                          |                       |              | <b>4 281 600</b> |
|                                          |                          |                       |              |                  |
| <b>Community facilities (Cemeteries)</b> | Equipment and fencing    | Internal              | <b>ALL</b>   | <b>471 000</b>   |
|                                          |                          |                       |              |                  |
| <b>Community facilities (Libraries)</b>  | Equipment                | Internal              | <b>ALL</b>   | <b>31 970</b>    |
|                                          |                          |                       |              |                  |
|                                          |                          |                       |              | <b>7 137 570</b> |
| <b>Programme</b>                         | <b>Project name</b>      | <b>Funding source</b> | <b>Wards</b> | <b>2012/13</b>   |

|                    |                                                |          |       |            |
|--------------------|------------------------------------------------|----------|-------|------------|
| <b>Electricity</b> | Network strengthening Phase 3                  | Internal | 15-17 | 1 000 000  |
|                    | Bulk supply (Amelia, Gortin & Moodraai)        | DoE      | 1     | 10 000 000 |
|                    | Electricity in light industrial area (Zamdela) | Internal | 8     |            |
|                    | Electricity Minnaar Street (Vaalpark)          | DBSA     | 14&18 | 0          |
|                    | Investigation main substation (Sasolburg)      | Internal | 15-17 | 500 000    |
|                    | Upgrading main substation (Sasolburg)          | Internal | 15-17 | 0          |
|                    | Review master plan                             | Internal | ALL   | 500 000    |
|                    | Upgrading network Phase 2 (Deneysville)        | Internal | 5,20  | 500 000    |
|                    | Upgrading network Phase 2 (Oranjeville)        | Internal | 5     | 500 000    |
|                    | Upgrading of streetlight network (O/Ville)     | Internal | 5     | 200 000    |
|                    | Replace redundant streetlight fittings         | Internal | ALL   | 250 000    |
|                    | Replace distribution pillars                   | Internal | ALL   | 250 000    |
|                    | Replacement of sub-station (Gortin & Leirim)   | Internal | 1     | 450 000    |
|                    | Water and electricity AMR                      | DBSA     | ALL   | 5 500 000  |
|                    | Equipment and Works (various)                  | Internal | ALL   | 575 100    |



|                              |                                                                               |               |                     |               |
|------------------------------|-------------------------------------------------------------------------------|---------------|---------------------|---------------|
|                              |                                                                               | 20 225<br>100 | 30 570 000          | 37 320<br>000 |
| <b>Roads and storm water</b> | Construction of new roads and storm water (DBSA Loan)                         | DBSA          | 1,3,4,5,7,8,9,14&18 | 10 500<br>000 |
|                              | Upgrading and resealing of roads                                              | Internal      | ALL                 | 10 000<br>000 |
|                              | Storm water channel (Chris Hani)                                              | Internal      | 8                   | 500 000       |
|                              | Storm water channel (Refengkgotso)                                            | Internal      | 3&4                 | 500 000       |
|                              | Construction of interlocking paved roads and storm water channels (MIG)       | MIG           | ALL                 | 1 320 000     |
|                              | Vaal Park Taxi rank                                                           | Internal      | 14,18               | 1 500 000     |
|                              | Integrated Transport Plan                                                     | Internal      | ALL                 | 0             |
|                              | Equipment & Vehicles (various)                                                | Internal      | ALL                 | 50 000        |
|                              |                                                                               | 24 370<br>000 | 20 000 000          | 15 000<br>000 |
| <b>Sanitation</b>            | Replace gravitational outfall sewer                                           | Internal      | 15,16,17            | 0             |
|                              | Sewer network and toilets: 3257 stands Amelia (MIG)                           | MIG           | 1                   | 21 092<br>450 |
|                              | Construction of sewer for 368 erven and upgrade plants - Metsimaholo x6 (MIG) | CoGTA         | 5                   | 5 011 460     |

|                  |                                                                          |                   |                   |                   |
|------------------|--------------------------------------------------------------------------|-------------------|-------------------|-------------------|
|                  | Gortin – Phase 4                                                         | MIG               | 1                 | 6 547 500         |
|                  | Vaalpark stands                                                          | DBSA              | 14&18             | 5 000 000         |
|                  | Purchasing of various pumps, motors, fencing & equipment                 | Internal          | ALL               | 2 613 900         |
|                  |                                                                          | <b>40 265 310</b> | <b>28 355 550</b> | <b>22 774 970</b> |
| <b>Water</b>     | Water demand management and conservation plan                            | Internal          | ALL               | 1 000 000         |
|                  | Water and electricity AMR                                                | DBSA              | ALL               | 5 500 000         |
|                  | Pressure red valves                                                      | Internal          | ALL               | 500 000           |
|                  | Ringfeed residential                                                     | Internal          | ALL               | 0                 |
|                  | Augmentation of bulk supply-upgrading of purification works-6 500 stands | MIG               | 3,4,5,20          | 15 796 650        |
|                  | Bulk water supply: Refengkgotso 2 537 stands                             | MIG               | 5                 | 0                 |
|                  | Vaalpark stands                                                          | DBSA              | 14&18             | 5 500 000         |
|                  | Purchasing various equipment & pumps                                     | Internal          | ALL               | 303 820           |
|                  |                                                                          | <b>28 600 470</b> | <b>14 070 000</b> | <b>12 958 910</b> |
|                  |                                                                          |                   |                   |                   |
| <b>Buildings</b> |                                                                          | Internal          | ALL               | <b>1 200 000</b>  |

|                            |                                                          |                       |              |                        |
|----------------------------|----------------------------------------------------------|-----------------------|--------------|------------------------|
| <b>Mechanical workshop</b> |                                                          | Internal              | ALL          | <b>42 000</b>          |
|                            |                                                          |                       |              |                        |
|                            |                                                          |                       |              | <b>114 702<br/>880</b> |
| <b>Programme</b>           | <b>Project name</b>                                      | <b>Funding source</b> | <b>Wards</b> | <b>0</b>               |
| <b>Human settlements</b>   | Acquisition of 31 Vaaldam Small Holdings                 | CoGTA                 | 1,3,4        | 0                      |
|                            | Acquisition portion of sub 3,4, 6 & 7Lauterwater         | Land Affairs          | ALL          | 0                      |
|                            | Demolition of outstanding old units - hostel 2 (Zamdela) | CoGTA                 | 9            | 0                      |
|                            | Infrastructure for 70 units – hostel 2 (Zamdela)         | CoGTA                 | 9            | 0                      |
|                            | Building of 70 rental units – hostel 2 (Zamdela)         | CoGTA                 | 9            | 0                      |
|                            | Demolition of 112 old hostel units – hostel 4 (Zamdela)  | CoGTA                 | 12           | 0                      |
|                            | Infrastructure for 420 CRUs – hostel 4 (Zamdela)         | CoGTA                 | 12           | 0                      |
|                            | Building of 420 CRUs – hostel 4 (Zamdela)                | CoGTA                 | 12           | 0                      |
|                            | Acquisition of land for agricultural use (Zamdela)       | Land Affairs          | 8            | 0                      |
|                            | Acquisition of land for agricultural use                 | Land                  | 3,4,5 & 20   | 0                      |

|                            |                                                                 |              |         |                   |
|----------------------------|-----------------------------------------------------------------|--------------|---------|-------------------|
|                            | (Refengkgotso/Metsimaholo)                                      | Affairs      |         |                   |
|                            | Building of 74 CRUs rental (Sasolburg Extension)                | CoGTA        | 17      | 0                 |
|                            | Demolition of 389 old units – hostel 3 (Zamdela)                | CoGTA        | 11 & 12 | 0                 |
|                            | Infrastructure for 800 CRUs – hostel 3 (Zamdela)                | CoGTA        | 11 & 12 | 0                 |
|                            | Building of 800 CRUs – hostel 3 (Zamdela)                       | CoGTA        | 11 & 12 | 0                 |
|                            | Acquisition of land for agricultural use (Zamdela)              | Land Affairs | 11 & 12 | 0                 |
|                            | Transfer of 8 stands to municipality for social housing project | CoGTA        | 16      | 0                 |
|                            |                                                                 |              |         |                   |
|                            |                                                                 |              |         |                   |
| <b>Spatial development</b> | Planning and surveying 2000 stands (Vaaldam small holdings)     | CoGTA        | 5       | Human Settlements |
|                            | Surveying of 2000 stands (Mooi draai)                           | Internal     | 1       | 750 000           |
|                            | Surveying 3000 stands (Mooi plaats)                             | CoGTA        | 1       | Human Settlements |
|                            | Planning and surveying of 1000 erven (Amelia)                   | CoGTA        | 1       | Human Settlements |
|                            | Planning and surveying Vaalpark to R59 provincial road          | Internal     | 14 & 18 | 0                 |

|                                                        | Planning and surveying agricultural small scale farming (Amelia) | Internal         | 1     | 0         |
|--------------------------------------------------------|------------------------------------------------------------------|------------------|-------|-----------|
|                                                        |                                                                  |                  |       | 750 000   |
|                                                        |                                                                  |                  |       | 1 500 000 |
| Programme                                              | Project name                                                     | Funding source   | Wards | 2012/13   |
| Local economic development/<br>Sustainable livelihoods | Brick and paving manufacturing plant                             | Public donations | ALL   | Sasol     |
|                                                        | Poultry and piggery farming                                      | Public donations | ALL   | Sasol     |
|                                                        |                                                                  |                  |       | 0         |

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

The information required in the table below is not available at this stage.

Table180 : Service Backlogs – Schools and Clinics

| Service Backlogs: Schools and Clinics                                                                                                                                                                                                                   |       |            |             |                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|-------------|------------------------|
| Establishments lacking basic services                                                                                                                                                                                                                   | Water | Sanitation | Electricity | Solid Waste Collection |
| <b>Schools (NAMES, LOCATIONS)</b>                                                                                                                                                                                                                       |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
| <b>Clinics (NAMES, LOCATIONS)</b>                                                                                                                                                                                                                       |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
|                                                                                                                                                                                                                                                         |       |            |             |                        |
| Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned. |       |            |             |                        |

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## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Tabl181: Service Backlogs – Another Sphere of Government

| Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis) |                   |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|
| Services and Locations                                                                                                                                               | Scale of backlogs | Impact of backlogs |
| Clinics:                                                                                                                                                             |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| Housing:                                                                                                                                                             |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| Licensing and Testing Centre:                                                                                                                                        |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| Reservoirs                                                                                                                                                           |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| Schools (Primary and High):                                                                                                                                          |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
| Sports Fields:                                                                                                                                                       |                   |                    |
|                                                                                                                                                                      |                   |                    |
|                                                                                                                                                                      |                   |                    |
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|                                                                                                                                                                      |                   | T Q                |

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Table182: Declaration of Loans and Grants made by the Municipality

| Declaration of Loans and Grants made by the municipality: 2011/12                     |                   |                                |                      |                                                       |
|---------------------------------------------------------------------------------------|-------------------|--------------------------------|----------------------|-------------------------------------------------------|
| All Organisation or Person in receipt of Loans */Grants* provided by the municipality | Nature of project | Conditions attached to funding | Value 2011/12 R' 000 | Total Amount committed over previous and future years |
|                                                                                       |                   |                                |                      |                                                       |
|                                                                                       |                   |                                |                      |                                                       |
|                                                                                       |                   |                                |                      |                                                       |
|                                                                                       |                   |                                |                      |                                                       |
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|                                                                                       |                   |                                |                      |                                                       |
|                                                                                       |                   |                                |                      |                                                       |
|                                                                                       |                   |                                |                      |                                                       |
| * Loans/Grants - whether in cash or in kind                                           |                   |                                |                      | T R                                                   |



## APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

The information required as per the table below cannot be provided in this format for the 2012/13 financial year. The municipality aligned its new five-year IDP (2012-2017) according to the below outcomes and will therefore provide the information required below in the specified format on the finalization of annual report.

**Table183 : National and Provincial Outcomes for Local Government**

| National and Provincial Outcomes for Local Government                                                                                                     |                  |                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------|
| Outcome/Output                                                                                                                                            | Progress to date | Number or Percentage Achieved |
| Output: Improving access to basic services                                                                                                                |                  |                               |
|                                                                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
| Output: Implementation of the Community Work Programme                                                                                                    |                  |                               |
|                                                                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
| Output: Deepen democracy through a refined Ward Committee model                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
| Output: Administrative and financial capability                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
|                                                                                                                                                           |                  |                               |
| * Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent. |                  |                               |

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# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

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